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**INVESTIGATION OF IMPROPER ACTIVITIES IN THE
LABOR OR MANAGEMENT FIELD**

U.S. Congress Senate

HEARINGS
BEFORE THE
SELECT COMMITTEE
ON IMPROPER ACTIVITIES IN THE
LABOR OR MANAGEMENT FIELD
EIGHTY-FIFTH CONGRESS

SECOND SESSION

PURSUANT TO SENATE RESOLUTIONS 74 AND 221, 85TH CONGRESS

DECEMBER 2 AND 3, 1958

PART 42

Printed for the use of the Select Committee on Improper Activities in the
Labor or Management Field



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INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

TUESDAY, DECEMBER 2, 1958

U.S. SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES,
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D.C.

The select committee met at 11 a.m., pursuant to Senate Resolution 221, agreed to January 29, 1958, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator John F. Kennedy, Democrat, Massachusetts.

Also present: Robert F. Kennedy, chief counsel; La Vern J. Duffy, investigator; Irwin Langenbacher, investigator; Ruth Y. Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

(Members of the select committee present at the convening of the session were Senators McClellan and Kennedy.)

The CHAIRMAN. Today the committee opens a hearing into the activities and practices of the Sheet Metal Workers International Association in the Chicago, Ill., area.

One of the most insidious of union practices occurs when a closely knit union group exacts tribute from employers for the privilege of operating, and from workers for the privilege of working. This appears to be one of the elements of the case we shall investigate in this series of hearings.

Another destructive practice occurs when unions or managements, or both, acting in collusion, set out to regulate prices or to prearrange the order and the amounts of bids which are supposed to be competitive and secret on various types of building projects.

Such practices are extremely detrimental to the general public. They create artificial high prices, prices which must necessarily come out of the pockets of the unsuspecting consumer. This element of labor-management improper activities will also be studied during the current hearings.

We hear a great deal about "labor peace." Such peace gives stability to our economy, continuity of output, and production. Such peace, however, must be based on mutual understanding between labor and management—on the faithful execution of contracts and the good faith settlement of union-company grievances and differences.

When labor peace is put on the market as a commodity for sale, however, it becomes a perversion of the entire concept. We cannot permit tribute and payoffs to become the substitute for proper nego-

tiation and compromise in our labor-management relations. It is improper for unions to require such tribute or payoffs as their price for maintaining such peace, and it is equally improper for management to make proffers of under-the-table payments in an effort to secure things from a union which their competitors cannot secure.

One of the grave problems facing this committee during its hearings has been the perversion of what are considered legitimate union functions and activities into shakedowns and payoff schemes. This particular facet of labor-management relations will be one of the focal points of this present series of hearings.

All right, Mr. Kennedy, are there any further statements?

If not, call the first witness.

Mr. KENNEDY. Mr. Carl L. Burrows.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BURROWS. I do.

TESTIMONY OF CARL L. BURROWS, ACCOMPANIED BY COUNSEL, LEONARD F. BANOWETZ

The CHAIRMAN. Mr. Burrows, state your name and your place of residence, and your business or occupation.

Mr. BURROWS. My name is Carl L. Burrows. My residence is Wichita, Kans., and I am the manager of the Coleman Co.'s Mid-western Division.

The CHAIRMAN. You have counsel, have you, Mr. Burrows?

Mr. BURROWS. Yes, sir.

The CHAIRMAN. Mr. Counsel, identify yourself for the record, please.

Mr. BANOWETZ. I am Leonard F. Banowetz, corporate counsel for the Coleman Co.

The CHAIRMAN. Where is your office?

Mr. BANOWETZ. In Wichita, Kans., with the Coleman Co.

The CHAIRMAN. And you are a member of the Kansas bar, are you?

Mr. BANOWETZ. Yes, I am a member of the Kansas bar.

The CHAIRMAN. Thank you very much.

Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Burrows, could you tell us what the Coleman Co. manufactures?

Mr. BURROWS. We manufacture outing products, camp stoves, lanterns, and that sort of thing, and heating and air-conditioning equipment.

Mr. KENNEDY. What was the first?

Mr. BURROWS. Outing products.

Mr. KENNEDY. You mean camping equipment?

Mr. BURROWS. Yes, sir.

Mr. KENNEDY. How long has the Coleman Co. been in existence?

Mr. BURROWS. About 53 or 54 years.

Mr. KENNEDY. In this field, where does the company rank in the country, approximately?

Mr. BURROWS. In which field?

Mr. KENNEDY. In fields that you mentioned, where it does work.

Mr. BURROWS. In outing products, in our lines, we probably do 60 or 70 percent of the total business of this country. In heating equipment we are probably one of the first 10 manufacturers, I would say.

Mr. KENNEDY. That would include the air conditioning?

Mr. BURROWS. That is right.

Mr. KENNEDY. Air conditioners and heating?

Mr. BURROWS. That is right.

Mr. KENNEDY. How long have you been with the Coleman Co.?

Mr. BURROWS. Twenty-nine years.

Mr. KENNEDY. You were at one time a vice president?

Mr. BURROWS. That is correct.

Mr. KENNEDY. And you are retiring, are you?

Mr. BURROWS. No, I am not retiring. At my own request I have taken over the management of our Midwestern Division.

Mr. KENNEDY. I thought after 30 years——

Mr. BURROWS. I am ineligible; but I hope I don't retire at that time.

Mr. KENNEDY. Mr. Burrows, when did your company get into the air-conditioning and heating-equipment business field?

Mr. BURROWS. Well, we got into the heating equipment business about 20 years ago, and into the air conditioning and warm-air-furnace business, I would say we started in about 1950.

Mr. KENNEDY. And were you having difficulty when you went into this field, getting your products placed and having the Sheet Metal Workers handle those products?

Mr. BURROWS. I would say we were, sir.

Mr. KENNEDY. That started in approximately when?

Mr. BURROWS. I think 1951.

Mr. KENNEDY. About 1951?

Mr. BURROWS. I am quite sure that is the date.

Mr. KENNEDY. What steps were taken by your company or by you to try to get a solution to that problem?

Mr. BURROWS. Well, we tried a number of things. A part of our unit was being produced by a firm in St. Louis. Their union was the Stove Mounters Union, and we found that didn't solve our problem. We were having trouble in major metropolitan areas because while we had a union in our plant, it wasn't the Sheet Metal Workers Union, obviously, and so we had trouble getting our equipment installed.

Mr. KENNEDY. What union did you have in your plant?

Mr. BURROWS. We had an independent union, sir.

Mr. KENNEDY. What was the name of it?

Mr. BURROWS. I will have to ask our counsel.

Mr. BANOWETZ. The National Appliance Workers Union.

Mr. KENNEDY. And the Sheet Metal Workers Union refused to install your products, because your employees didn't belong to their union?

Mr. BURROWS. In many areas, yes.

Mr. KENNEDY. Did you meet a Mr. Cronin, who was the vice president of the Sheet Metal Workers and have discussions with him?

Mr. BURROWS. Not at that time, sir: I did meet him.

Mr. KENNEDY. In 1952?

Mr. BURROWS. In 1952.

Mr. KENNEDY. What led up to that meeting?

Mr. BURROWS. I had a sales manager, a Mr. Marks, who is now dead, and I had given him the responsibility of getting our problem solved in some manner.

Mr. KENNEDY. What was Mr. Marks' position at that time?

Mr. BURROWS. He was sales manager of our heating division.

Mr. KENNEDY. What was his first name?

Mr. BURROWS. Louis. He told me that he had a solution to the situation, and suggested I make a trip with him to Chicago to meet Mr. Cronin.

Mr. KENNEDY. Would you tell us about that trip.

Mr. BURROWS. Yes, sir. I don't have the date, but I think it was in 1952, and I think we have the records. Mr. Marks had told me that he could correct our problem but it would require a little cash to do it. I asked him how much money he needed, and he told me \$2,000. I went to Chicago with Mr. Marks with a company check on the Continental Illinois Bank & Trust Co., and the cash was placed in an envelope and Mr. Cronin was with Mr. Marks, and on the street, outside of the Continental Illinois Bank, I handed Mr. Cronin the envelope with the \$2,000 in it.

Mr. KENNEDY. How did you understand, or what was explained to you, as to why you had to pay Mr. Cronin the \$2,000?

Mr. BURROWS. Well, all I can tell you, sir, is Mr. Marks told me that he thought it could solve our problems.

Mr. KENNEDY. That Mr. Cronin could solve our problems?

Mr. BURROWS. Yes, sir.

Mr. KENNEDY. And this \$2,000 was necessary to do that?

Mr. BURROWS. That is right.

Mr. KENNEDY. Did you go in with Mr. Marks to cash the check?

Mr. BURROWS. No. Mr. Cronin and Mr. Marks and I went into the bank, and I left Mr. Cronin and Mr. Marks downstairs in the lobby, and I went up and cashed the check myself.

Mr. KENNEDY. And you brought the cash back?

Mr. BURROWS. That is right.

Mr. KENNEDY. In the envelope?

Mr. BURROWS. That is right.

Mr. KENNEDY. Where did you meet with Mr. Cronin then and give him the money?

Mr. BURROWS. On the street, two or three blocks from the bank.

Mr. KENNEDY. All three walked down?

Mr. BURROWS. That is right.

The CHAIRMAN. Who is Mr. Cronin, and I don't quite understand who he is?

Mr. BURROWS. Mr. Cronin is an official of the Sheet Metal Workers Union, and I believe international vice president.

The CHAIRMAN. International vice president of the Sheet Metal Workers Union?

Mr. BURROWS. I think that is the correct title.

Mr. KENNEDY. What were his responsibilities? Did you understand that they extended through the Midwest?

Mr. BURROWS. I am not sure that I follow you.

Mr. KENNEDY. What were Mr. Cronin's responsibilities? Did you understand where his jurisdiction was?

Mr. BURROWS. No; I do not know.

Mr. KENNEDY. Did you understand or know he was vice president of the Sheet Metal Workers?

Mr. BURROWS. I knew that.

Mr. KENNEDY. Did you know it at the time you gave him \$2,000?

Mr. BURROWS. Yes, sir; I did.

Mr. KENNEDY. Mr. Chairman, we have a document here.

The CHAIRMAN. Mr. Burrows, I present to you the following documents of what purport to be a photostatic copy of a letter dated May 8, 1952, on the Coleman Co., Inc., stationery, signed by J. A. Dye, secretary, and addressed to James M. Johnson, second vice president, Continental Illinois National Bank & Trust Co., Chicago, Ill.; and also what purports to be a photostatic copy of a check drawn by the Coleman Co. in the amount of \$2,000 in favor of the Continental Illinois Bank & Trust Co., check dated May 8, 1952; and also photostatic copy of what is termed a check requisition bearing the same date on the Coleman Co.'s form.

Will you please examine these three documents and state if you identify them.

(Documents handed to the witness.)

Mr. BURROWS. Yes, sir; I can identify them.

The CHAIRMAN. Those may be made exhibits 1A, 1B, and 1C.

(Documents referred to marked "Exhibits 1A, 1B, and 1C," for reference, and will be found in the appendix on pp. 15913-15915.)

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Burrows, did you subsequently make further payments to Mr. Cronin?

Mr. BURROWS. Yes, sir; we did.

Mr. KENNEDY. Either you or Mr. Marks made further payments?

Mr. BURROWS. That is correct.

Mr. KENNEDY. How much in total did you pay to Mr. Cronin?

Mr. BURROWS. We paid a total of \$27,000; \$5,000 of it was returned.

Mr. KENNEDY. The last payment you made was returned?

Mr. BURROWS. That is right.

Mr. KENNEDY. I will just go through those payments, and when they were made.

You made another payment in January of 1953, did you?

Mr. BURROWS. That is correct.

The CHAIRMAN. If I am correct, just for clarification, the check made exhibit No. 1A or 1B from which you obtained the proceeds, \$2,000, that \$2,000 which you delivered to Mr. Cronin on the street is the first payment?

Mr. BURROWS. That is correct.

The CHAIRMAN. Subsequently, then, you paid a total of \$27,000, of which \$5,000 was returned to you?

Mr. BURROWS. That is correct.

The CHAIRMAN. Paid to the same man for the same purpose?

Mr. BURROWS. That is correct.

Mr. KENNEDY. That includes the \$2,000?

Mr. BURROWS. That is correct.

The CHAIRMAN. I hand you here another series of documents, the first of which purports to be a photostatic copy of a letter of January 15, 1953, addressed to James P. Johnson, second vice president, Con-

tinental Illinois National Bank & Trust Co., Chicago, Ill., signed by J. A. Dye, secretary-treasurer of the Coleman Co., Inc.; also what purports to be a photostatic copy of a check in the amount of \$5,000, dated January 15, 1953, payable to C. L. Burrows, and drawn by the Coleman Co., Inc.; also, what appears to be a photostatic copy of a check requisition payable to C. L. Burrows, dated January 15, 1953, in the amount of \$5,000, from which there appears to have been received \$5,000 in cash.

I present you these documents and ask you to examine them and state if you identify them.

(The documents were handed to the witness.)

Mr. BURROWS. Yes, sir; I can identify them.

The CHAIRMAN. They may be made exhibits No. 2A, 2B, and 2C.

(Documents referred to were marked "Exhibits Nos. 2A, 2B, and 2C" for reference, and will be found in the appendix on pp. 15916-15918.)

Mr. KENNEDY. What were the circumstances surrounding the second payment of \$5,000?

Mr. BURROWS. I am not sure that I follow you, Mr. Kennedy. Just how it was done; is that what you mean?

Mr. KENNEDY. Yes; how it came to be paid and how it was handled.

Mr. BURROWS. Well, it was paid because Mr. Marks told me that he needed—when this thing started, Mr. Kennedy, I didn't know there was to be a continuation of it. The \$2,000, I thought, was all Mr. Marks needed. But he came back to me then, let's see, in January of 1953, and said that he needed another \$5,000. I authorized the check to be issued, and cashed it in Chicago.

Mr. KENNEDY. Did you understand it was going to be for the same purpose?

Mr. BURROWS. That is right.

Mr. KENNEDY. Had the first \$2,000 that you paid in June 1952 achieved the purpose that you desired?

Mr. BURROWS. Not wholly, but to a very substantial degree.

Mr. KENNEDY. Had it alleviated your labor difficulties?

Mr. BURROWS. It had; yes.

Mr. KENNEDY. The situation had improved a great deal?

Mr. BURROWS. It had improved.

Mr. KENNEDY. Over the period of June 1952 to January 1953?

Mr. BURROWS. That is correct.

Mr. KENNEDY. And Mr. Marks told you another \$5,000 was necessary?

Mr. BURROWS. That is correct.

Mr. KENNEDY. Were you present when that \$5,000 was paid?

Mr. BURROWS. I will have to look back at the record, sir. I think I was. Yes, sir.

Mr. KENNEDY. How was that handled?

Mr. BURROWS. That was paid—I cashed the check at the Continental Illinois. Mr. Marks and I met Mr. Cronin in either Mr. Marks' room or mine. I can't be sure which room it was in the LaSalle Hotel in Chicago. It was paid there. I cashed the check, had the money placed in an envelope, gave it to Mr. Marks, and he handed it to Mr. Cronin.

Mr. KENNEDY. Were you both present when he gave him the money?

Mr. BURROWS. We were.

Mr. KENNEDY. Why did Mr. Cronin allow two of you to be present at the time you gave the money? Have you any explanation for that?

Mr. BURROWS. I have no explanation.

The CHAIRMAN. Is Mr. Marks living?

Mr. BURROWS. No; he is dead.

The CHAIRMAN. Is Mr. Cronin living?

Mr. BURROWS. So far as I know.

The CHAIRMAN. Is he still an official of the union?

Mr. BURROWS. I couldn't tell you.

Mr. KENNEDY. He is. He will be the next witness.

The CHAIRMAN. All right; proceed.

Mr. KENNEDY. But you gave him this \$5,000 at the LaSalle Hotel, either in your room or Mr. Marks' room?

Mr. BURROWS. That is correct.

Mr. KENNEDY. And both of you were present at the time?

Mr. BURROWS. That is correct.

Mr. KENNEDY. And those letters, the documents that have been made an exhibit, indicate that you wrote a letter to the bank prior to going there, stating that you would need \$5,000, or a certain sum of cash?

Mr. BURROWS. A member of our firm wrote it.

Mr. KENNEDY. And said that when you came in with the check, the check should be made good; is that right?

Mr. BURROWS. That is right.

Mr. KENNEDY. The third payment was made when—in June of 1953?

Mr. BURROWS. June 18, 1953.

Mr. KENNEDY. And how was that handled?

Mr. BURROWS. It was handled by Mr. Marks.

The CHAIRMAN. I again present to you three document, photostatic copies of a letter of June 18, 1953; photostatic copy of a check of the same date, drawn on the Coleman Co. in the amount of \$5,000; and also a check requisition, a photostatic copy of that, similar to the others I presented you.

Would you please examine those and state if you identify them?

(The documents were handed to the witness.)

Mr. BURROWS. Yes, sir; I can identify them.

The CHAIRMAN. They may be made exhibits Nos. 3A, 3B, and 3C.

(Documents referred to were marked "Exhibits Nos. 3A, 3B and 3C" for reference, and will be found in the appendix on pp. 15919-15921.)

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. What were the circumstances surrounding that payment?

Mr. BURROWS. I can't tell you, sir. Again, Mr. Marks came to me and told me that he needed an additional \$5,000. I had the check issued. I gave it to Mr. Marks. He cashed it in Chicago.

Mr. KENNEDY. And you understood this was also going to Mr. Cronin?

Mr. BURROWS. That is correct.

Mr. KENNEDY. That was why the check was made out?

Mr. BURROWS. That is correct.

Mr. KENNEDY. And that was why the check was cashed?

Mr. BURROWS. That is correct.

Mr. KENNEDY. Were you achieving the labor peace that you desired during this period of time?

Mr. BURROWS. Sir?

Mr. KENNEDY. Were you achieving the labor peace that you desired during this period of time?

Mr. BURROWS. I wouldn't say, sir, that we were using the proper approach, but yes, we were having no further trouble.

Mr. KENNEDY. You were getting what you were paying for?

Mr. BURROWS. I think so.

Mr. KENNEDY. What was the last one, Mr. Chairman?

Mr. BURROWS. The last one, according to my records, Mr. Kennedy, was June 18, the last one you asked me about.

The CHAIRMAN. The last one presented was June 18, 1953.

Mr. KENNEDY. Then on the 30th of December of 1953, another \$5,000?

Mr. BURROWS. That is correct.

The CHAIRMAN. I hand you three other documents similar to those I presented to you heretofore, the letter being dated December 30, 1953, a check for \$5,000 dated December 29, 1953, and a corresponding check requisition attached.

I ask you to examine these photostatic copies and state if you identify them.

(The documents were handed to the witness.)

Mr. BURROWS. Yes, sir; I can identify them.

The CHAIRMAN. They may be made exhibits Nos. 4A, 4B, and 4C.

(Documents referred to were marked "Exhibits Nos. 4A, 4B, and 4C" for reference and will be found in the appendix on pp. 15922-15924.)

The CHAIRMAN. Proceed.

Mr. KENNEDY. Then in June of 1954 another \$5,000?

Mr. BURROWS. Correct.

The CHAIRMAN. I hand you the letter dated June 10, 1954, the check dated June 3, 1954, and the requisition dated June 3, 1954, photostatic copies of those, the letter, the check, and the requisition.

I ask you to examine them and state if you identify them, please, sir.

(The documents were handed to the witness.)

Mr. BURROWS. Yes, sir; I can identify them.

The CHAIRMAN. They may be made exhibits Nos. 5A, 5B, and 5C.

(Documents referred to were marked "Exhibits Nos. 5A, 5B, and 5C" for reference and will be found in the appendix on pp. 15925-15927.)

Mr. KENNEDY. Were you present at that payment?

Mr. BURROWS. No, sir.

Mr. KENNEDY. That was, again, handled by Mr. Marks himself?

Mr. BURROWS. That is correct.

Mr. KENNEDY. But you participated and had knowledge of it?

Mr. BURROWS. Yes; I caused the check to be issued.

The CHAIRMAN. I hand you similar documents, a letter dated December 1, 1954, a check dated the same date, and the requisition dated the same date in the amount of \$5,000.

Would you examine these photostatic copies and state if you identify them?

(The documents were handed to the witness.)

Mr. BURROWS. Yes, sir; I can identify them.

The CHAIRMAN. They may be made exhibits Nos. 6A, 6B, and 6C. (Documents referred to were marked "Exhibits Nos. 6A, 6B, and 6C" for reference and will be found in the appendix on pp. 15928-15930.)

Mr. KENNEDY. That was in December of 1954?

Mr. BURROWS. That is correct, sir.

Mr. KENNEDY. That was the last payment?

Mr. BURROWS. That is correct.

Mr. KENNEDY. That was for \$5,000?

Mr. BURROWS. That is correct.

Mr. KENNEDY. Were you present at that payment?

Mr. BURROWS. I was the only one present.

Mr. KENNEDY. You took that payment by yourself?

Mr. BURROWS. I did.

Mr. KENNEDY. Why didn't Mr. Marks handle that one?

Mr. BURROWS. Mr. Marks was no longer with the company.

Mr. KENNEDY. How did you learn that another \$5,000 was necessary?

Mr. BURROWS. Mr. Cronin called me and told me that he would like to talk—he had been trying to get hold of Mr. Marks. I told him Mr. Marks was no longer with the company, but that I would be glad to see him in Chicago.

Mr. KENNEDY. Did you understand from that telephone call, or did he mention anything about the fact that \$5,000 was necessary?

Mr. BURROWS. No, sir; he did not.

Mr. KENNEDY. You just brought along \$5,000?

Mr. BURROWS. Well, I had had quite a record of experience here, and I assumed that that was the case.

Mr. KENNEDY. Did you assume that you were going to have to pay \$5,000 every 6 months from then on?

Mr. BURROWS. Yes, sir; I would say that I did.

Mr. KENNEDY. Did you think \$10,000 was a high figure to be paying each year?

Mr. BURROWS. Well, it would depend on what you accomplished with it. I don't say that it was right, but we were having no problems. Our business in that particular division is \$7 or \$8 million a year.

Mr. KENNEDY. So this was a small percentage of that?

Mr. BURROWS. My operating budget was about, as I recall it, in those years \$2½ million a year, for my operations. So it was relatively small.

The CHAIRMAN. May I inquire if any of this money went into the union treasury?

Mr. BURROWS. I wouldn't know, sir.

The CHAIRMAN. You wouldn't think so, would you?

Mr. BURROWS. I wouldn't have any idea.

The CHAIRMAN. Well, if it was going into the union treasury, wouldn't the proper way to handle it, if it was legitimate and above-board, be simply to write a check to the union treasury?

Mr. BURROWS. I would say that is correct.

The CHAIRMAN. Therefore, in view of the way you handled the transaction, you knew at the time and felt that it was improper, and that it was something that couldn't be done openly and aboveboard without criticism?

Mr. BURROWS. That is correct.

Mr. KENNEDY. Where did you make this last payment in December of 1954?

Mr. BURROWS. In the cocktail lounge in the LaSalle Hotel in Chicago.

Mr. KENNEDY. How did you handle that?

Mr. BURROWS. I met Mr. Cronin there in the cocktail lounge. We sat down at a table and handed him the envelope.

Mr. KENNEDY. What did he say he would do?

Mr. BURROWS. Nothing specific. We visited for a very short time and that was all of it.

Mr. KENNEDY. Did you furnish him at that time some letters of complaint that you had had from the west coast?

Mr. BURROWS. I gave him one letter.

Mr. KENNEDY. Was that in the envelope?

Mr. BURROWS. No, it was separate. There was only cash in the envelope. I gave him one letter from a firm in Oregon. I believe Grants Pass, though I am not sure. They told us they were having some troubles. I acknowledged this letter, and told them I thought perhaps I could help them. I gave the correspondence to Mr. Cronin and asked him if he could do something to help me on it.

Mr. KENNEDY. Is this the correspondence?

The CHAIRMAN. You gave some correspondence to Mr. Cronin; is that correct?

Mr. BURROWS. That is correct.

The CHAIRMAN. I hand you here photostatic copies of three letters, one dated October 5, 1954, another dated October 14, 1954, and another dated October 28, 1954.

The first is from the Coleman Co., Inc., to John Bakshas; is that correct?

Mr. BURROWS. I can't recall it, sir. I can identify it, I am sure.

The CHAIRMAN. He is of the Home Gas Co.

Mr. BURROWS. I recall the firm name.

Mr. KENNEDY. That is in Oregon.

The CHAIRMAN. Grants Pass, Oreg.?

Mr. BURROWS. Grants Pass.

The CHAIRMAN. The second one is dated October 14, 1954, and is addressed to you on Home Gas Co. stationery from John Bakshas. Do you recall that?

Mr. BURROWS. I don't recall it, sir.

The CHAIRMAN. And the third one is from Coleman Co., Inc., apparently from you, C. L. Burrows, to this same Mr. John Bakshas, dated October 28, 1954.

I ask you to examine those photostatic copies and state if you identify them as such.

(The documents were handed to the witness.)

Mr. BURROWS. Yes, sir; I can identify them.

The CHAIRMAN. They may be made exhibits 7A, 7B, and 7C.

(Documents referred to were marked "Exhibits Nos. 7A, 7B, and 7C" for reference and will be found in the appendix on pp. 15931-15933.)

The CHAIRMAN. Are those the letters or the correspondence that you gave to Mr. Cronin at the time of the last payment?

Mr. BURROWS. Yes, sir.

Mr. KENNEDY. There were three letters, then, that you gave to him?

Mr. BURROWS. As I looked it over, Mr. Kennedy, there are apparently two letters there from the dealer and one from me.

Mr. KENNEDY. Did you give all of this correspondence to him?

Mr. BURROWS. I am quite sure that I did; yes, sir.

Mr. KENNEDY. And this was a complaint from one of your distributors. He was having problems installing your equipment out on the west coast; is that right?

Mr. BURROWS. That is right.

Mr. KENNEDY. He wanted some help?

Mr. BURROWS. He wanted it settled; yes.

Mr. KENNEDY. This was the type of thing that you brought to Mr. Cronin's attention?

Mr. BURROWS. It was the type of thing that Mr. Marks normally brought to Mr. Cronin's attention.

Mr. KENNEDY. This was one of the things that you wanted to get settled, that you expected Mr. Cronin's help and assistance on?

Mr. BURROWS. That is correct.

Mr. KENNEDY. Did you hear again from Mr. Cronin within a short period of time after you gave him this last \$5,000?

Mr. BURROWS. I had a letter from him a few days later.

Mr. KENNEDY. Did he return the \$5,000 at that time?

Mr. BURROWS. That is correct.

The CHAIRMAN. What was that?

Mr. KENNEDY. He received a letter from him several days later when he returned the last \$5,000.

The CHAIRMAN. That last \$5,000 was paid in December 1954, as I recall.

Mr. BURROWS. I am sure that is correct, sir. I don't have it before me.

The CHAIRMAN. All right.

I hand you a letter dated December 24, 1954, signed A. H. Cronin, addressed to you, Carl Burrows, Coleman Co., Wichita, Kans.; also a photostatic copy of a letter dated December 29, 1954, signed by John Bakshas, addressed to Coleman Furnaces, Wichita, Kans.; and one on Home Gas Co. stationery, dated December 29, 1954, addressed to Coleman Furnaces, Wichita, Kans., signed by the same John Bakshas.

I ask you to examine those photostatic copies and state if you identify them.

(The documents were handed to the witness.)

Mr. BURROWS. Yes, sir; I can identify them.

The CHAIRMAN. Thank you very much. They may be made exhibits Nos. 8A, 8B, and 8C.

(Documents referred to were marked "Exhibits Nos. 8A, 8B, and 8C" for reference and will be found in the appendix on pp. 15934-15936.)

The CHAIRMAN. I am intrigued by this letter of Mr. Cronin's returning this \$5,000 to you. I think it should be read into the record at this point.

DECEMBER 24, 1954.

Mr. CARL BURROWS,
Coleman Co., Wichita, Kans.

DEAR SIR: On December 21, 1954, at the La Salle Hotel in Chicago, you handed me an envelope, together with some correspondence from a Grants Pass, Oreg., firm and suggested that I examine the letter and contents of the envelope at my leisure.

When time permitted, I read the correspondence you handed me and examined the contents of the envelope. It was then that I discovered that you handed me \$5,000. Had I known what the envelope contained when I was with you, I would have returned it to you unopened.

I cannot accept this money under any circumstances, and, accordingly, am enclosing herewith a cashier's check in the amount of \$5,000 covering the same. I am retaining in my possession the correspondence you gave me from the Home Gas Co. of Grants Pass, Oreg.

Very truly yours,

A. H. CRONIN.

I said I was intrigued about it. I wonder why he couldn't accept that \$5,000 after he had already accepted \$22,000 from you in similar fashion?

Mr. BURROWS. I am afraid I can't answer that one, sir.

The CHAIRMAN. Did you ever inquire?

Mr. BURROWS. Yes, I did.

The CHAIRMAN. What information did you get?

Mr. BURROWS. When Mr. Cronin wrote me and enclosed the cashier's check, I was naturally anxious to determine what had happened, so I called him. I made an appointment. It was some time later, I believe. That letter was dated December what?

The CHAIRMAN. December 24, 1954.

Mr. BURROWS. It would have been sometime in early January, then. I made a trip to Chicago to talk to him about it, and asked him what had happened. I was afraid we were going to have some more difficulty. His answer was that, as was in the letter, had he known what was in the envelope, he wouldn't have accepted.

The CHAIRMAN. He had known about the other \$22,000, had he not?

Mr. BURROWS. I would certainly think so.

The CHAIRMAN. And had accepted it?

Mr. BURROWS. That is correct.

The CHAIRMAN. He never returned any of that?

Mr. BURROWS. No, sir.

The CHAIRMAN. Is that the only explanation you got of the return of the money?

Mr. BURROWS. That is correct.

The CHAIRMAN. It strikes me he would have gone into some statement about it, that he was running into difficulty or he was afraid that this was going to be exposed, or some other likely reason he would have certainly given you.

Mr. BURROWS. I don't think so, sir.

The CHAIRMAN. You don't think so? Do you mean he just wouldn't comment about it, why he turned it back?

Mr. BURROWS. I was there only a short time. I think Mr. Cronin was somewhat agitated, and I can assure you that I was.

The CHAIRMAN. What was he agitated about?

Mr. BURROWS. Well, I can't tell you, sir.

The CHAIRMAN. What were you agitated about?

Mr. BURROWS. Well, I didn't particularly care to be involved in the whole situation. This whole affair was the answer to our problem.

The CHAIRMAN. It was off color, you knew that?

Mr. BURROWS. I certainly did. And I stayed only a few minutes.

The CHAIRMAN. He returned it, he says, by cashier's check. I present to you a copy of a cashier's check in the amount of \$5,000. I

am unable to tell the exact date of it, but apparently it is 1954, in December some date, in 1954.

I ask you to examine this cashier's check, a photostatic copy of it, and state if this is correct, if you can identify it; also the envelope in which it was mailed, I believe; and a return receipt which he obtained for the registered letter in which he enclosed the check.

Would you examine those photostatic copies and state if you identify them?

(The documents were handed to the witness.)

Mr. BURROWS. Yes, sir; I can identify them.

The CHAIRMAN. They may be made exhibits Nos. 9A, 9B, and 9C.

(Documents referred to were marked "Exhibits Nos. 9A, 9B, and 9C" for reference and will be found in the appendix on pp. 15937-15939.)

Mr. KENNEDY. Did you subsequently learn that the Internal Revenue Department had been watching the transaction between you and Mr. Cronin in December of 1954?

Mr. BURROWS. I didn't know it until about October of this year.

Mr. KENNEDY. But you did learn in October that they had had an agent in the room when you made this payment?

Mr. BURROWS. Yes. I obviously didn't know it at the time.

Mr. KENNEDY. Do you think that that might have been the explanation, that Mr. Cronin had learned about the fact that they had an agent there and for that reason had returned the \$5,000?

Mr. BURROWS. That is about the most plausible answer I can think of.

The CHAIRMAN. Do you know whether he reported the other \$22,000 on his income or not?

Mr. BURROWS. I have no idea.

The CHAIRMAN. He never returned any of the other \$22,000?

Mr. BURROWS. No, sir.

The CHAIRMAN. A possible return of it was never discussed between you?

Mr. BURROWS. No, sir.

The CHAIRMAN. That he retained, but he did return the last \$5,000?

Mr. BURROWS. That is correct.

Mr. KENNEDY. I have a couple of other matters.

When you first made this payment, the first \$2,000 payment, in 1952, it was a question of having the bug, the label, on your products; is that correct?

Mr. BURROWS. That is correct.

Mr. KENNEDY. Did you subsequently arrange to have the label placed on your products?

Mr. BURROWS. Yes, sir; we did.

Mr. KENNEDY. And that was the union label. That was in January of 1953?

Mr. BURROWS. I believe that is correct, sir; yes.

Mr. KENNEDY. About January 1953?

Mr. BURROWS. That is right.

Mr. KENNEDY. Were those arrangements made at the suggestion of Mr. Cronin?

Mr. BURROWS. I am sure that they were. Mr. Marks told me that we needed to get a union label on our equipment.

Mr. KENNEDY. How was that done? How was it arranged to get the union label?

Mr. BURROWS. Well, we had an independent union in our own plant, so we subcontracted those parts of the distribution system in which the Sheet Metal Workers were interested to another firm in Wichita.

Mr. KENNEDY. What was the name of that company?

Mr. BURROWS. Sterling Manufacturing Co. And they made arrangements for the Sheet Metal Workers Union in their plant.

Mr. KENNEDY. They then signed a contract with the Sheet Metal Workers Union, covering those employees that did your work?

Mr. BURROWS. That is correct.

Mr. KENNEDY. But only the employees that did your work; is that correct?

Mr. BURROWS. I can't tell you for sure, but I think that is right.

Mr. KENNEDY. They didn't have the Sheet Metal Workers in there prior to that time?

Mr. BURROWS. No, sir; they did not.

Mr. KENNEDY. That started in January of 1953, or thereabouts?

Mr. BURROWS. I think that is substantially correct.

Mr. KENNEDY. But between June of 1952 and January of 1953, even though you didn't have any label on at all, the difficulties that you had had with the union were alleviated?

Mr. BURROWS. They were alleviated. Not entirely solved, but alleviated.

The CHAIRMAN. Senator Kennedy, have you any questions?

Senator KENNEDY. You say you had no union in your company?

Mr. BURROWS. Yes, sir; we did have a union.

Senator KENNEDY. An independent union?

Mr. BURROWS. Yes, sir.

Senator KENNEDY. Did the Sheet Metal Workers attempt to organize your plant?

Mr. BURROWS. No, sir.

Senator KENNEDY. There was never an attempt to secure an election?

Mr. BURROWS. No, sir.

Senator KENNEDY. No pickets or anything?

Mr. BURROWS. No, Senator. You see, this equipment, the distribution system, the pipes and the fittings for a furnace, were being produced for us. We never produced them in our own plant. They were being produced for us in St. Louis.

We didn't have the proper union label, so Sterling took the thing over. That equipment had never been produced in our plant.

Senator KENNEDY. In the plant where you did the subcontracting, you say there was not a union in that?

Mr. BURROWS. Yes; there was.

Senator KENNEDY. Excuse me; there was not an international union of the AFL-CIO?

Mr. BURROWS. In St. Louis, yes, sir. But it wasn't the proper union. It was the Stove Mounters Union.

Senator KENNEDY. The what union?

Mr. BURROWS. Stove Mounters Union.

Senator KENNEDY. I am not familiar with that. Are they part of the AFL-CIO, the Stove Mounters?

Mr. BURROWS. Sir?

Senator KENNEDY. Is that part of the AFL-CIO? Is that a union that is affiliated with the AFL?

Mr. BANOWETZ. It was part of the AFL at that time; yes, sir.

Senator KENNEDY. They were putting on their union bug or whatever you might call it?

Mr. BURROWS. The label; yes.

Senator KENNEDY. But the building trades around the country would not handle it because of the Sheet Metal Workers; it did not have their bug? I don't understand that.

Mr. BURROWS. That is correct. It wasn't a universal situation, but it was in many major areas.

Senator KENNEDY. Why is that? What was the name of the union again? The Stove what?

Mr. BURROWS. Stove Mounters Union.

Senator KENNEDY. The Stove Mounters Union is affiliated with the building trades of the AFL-CIO?

Mr. BURROWS. They are an affiliate of the AFL.

Senator KENNEDY. And the Sheet Metal Workers, they are what—AFL?

Mr. BURROWS. I think that is correct; yes, sir.

Senator KENNEDY. And the subcontracting was done by the Stove Mounters and they put their union label on your work, and yet the building trades around the country would not install it because the Sheet Metal Workers did not have their bug?

Mr. BURROWS. That is correct.

Senator KENNEDY. I don't understand that.

Mr. KENNEDY. It is the Sheet Metal Workers Union that does the installation, is that correct, for the most part?

Mr. BURROWS. In areas where union labor is used, yes.

Mr. KENNEDY. So it wasn't just the building trades. It was specifically the Sheet Metal Workers Union. They will not install products that are not manufactured by the Sheet Metal Workers Union.

Senator KENNEDY. Even if the product is manufactured by another union which is affiliated with the AFL?

Mr. BURROWS. I cannot tell you, sir. All I can tell you is that the Stove Mounters Union label didn't help us any with our problem.

Mr. KENNEDY. I might say that this is the same union that we went into regarding the Burt Manufacturing Co. where they had the Steelworkers in there, and the Sheet Metal Workers refused to handle the products of the Burt Manufacturing Co. because they had the Steelworkers.

Senator KENNEDY. It seems to me it is one thing to refuse to handle the products of a company which is under strike, or which has had a persistent antilabor policy, or for one reason or another. There may be some justification for that, but I am not clear on what the possible justification would be for refusing to install material which happens to be manufactured by another union, which is in good standing in that case with the AFL, refusing to install that equipment.

If the facts are as stated, I don't understand it. There may be some justification. Perhaps we can have the responsible officials of the Sheet Metal Workers explain it to us, but I don't understand it right now.

Mr. BURROWS. Well, as I said before, Senator, it wasn't a universal thing. In small towns we had no particular problem. In metropolitan areas, highly unionized, we had difficulties there.

Senator KENNEDY. Even your own particular problem seems to me to be inexplicable. But for the general situation to exist, if it is as you stated, I cannot understand. Perhaps we can get greater information from the officials of the Sheet Metal Workers' Union.

Thank you.

The CHAIRMAN. Is there anything further?

Mr. KENNEDY. Mr. Chairman, the attorney for the company has a short statement of a page and a half, suggesting some legislation to deal with these problems, which he has submitted in advance.

The CHAIRMAN. The Chair does not feel that recommendations for legislation need to be submitted under oath. Unless there is disagreement with the Chair, you may submit your statement as recommendations regarding legislation, and, without objection, it will be inserted in the record at this point, if it deals solely with such recommendations.

If your statement covers or undertakes to cover statements of fact for the committee's consideration, then it should be sworn to. I have not read the statement.

Mr. KENNEDY. I think it is just a legal question with some recommendations.

The CHAIRMAN. Without objection, then, your statement may be accepted and printed in the record at this point.

Senator KENNEDY. Is one of the recommendations to strengthen the Hobbs Act and the section of the Taft-Hartley Act in regard to payoffs?

Mr. BURROWS. I would prefer that our attorney answer that.

Mr. KENNEDY. It is just a page and a half. Maybe you would like to have him read it.

The CHAIRMAN. I am trying to expedite the hearing.

Senator KENNEDY. Do you feel that the labor-management laws should be strengthened to prohibit or to make it certainly a clearer Federal fine for anyone to attempt to extort money under the conditions you have described, and also for anyone to pay it?

This may come under the Hobbs Act and the Taft-Hartley Act anyway. But do you think it should be more clearly stated if there is any doubt whether the practice which you engaged in should be very clearly prohibited on both sides?

Mr. BURROWS. I would certainly think so. Perhaps our attorney would like to comment on it.

Senator KENNEDY. I was interested in getting your opinion, because you were engaged in the practices.

Mr. BURROWS. Certainly, with the experience I have had I would say certainly.

Senator KENNEDY. It is an extremely unfortunate practice to have been engaged in. Is that your view?

Mr. BURROWS. That is correct.

The CHAIRMAN. Is there anything further?

The counsel's statement of recommended legislation may be inserted in the record at this point.

(The recommendations referred to are as follows:)

Section 7 of the Taft-Hartley Act presently guarantees certain rights to employees. However, these rights are of little meaning if the employer can be placed in a position of deciding whether he will stop making a product or allow his plant to be organized by the boycotting union, in spite of the fact that his employees may have decided that they want either no union or a different union.

The only remedy that is now available is remedial legislation. I would strongly urge that consideration be given to amending section 8(h) (4) of the act in order that its introductory sentence apply not only to employees of any employer, but also the employer.

In addition, it would seem that any conspiracy of individuals to deny a market to any manufacturer should also be dealt with.

The CHAIRMAN. Mr. Burrows, the Chair personally, without condoning but fully condemning your actions that you have related here, does commend you for coming before this committee in response to a subpoena from your Government and telling the truth as to these transactions that have occurred.

I am assuming you have told the full truth about it. If others who have committed such infractions of propriety, both on the side of labor and management, would come as you have and give us that information, it would be very helpful to the Congress in meeting its responsibility with respect to corrective and remedial legislation that obviously is needed in many areas of management-labor relations.

You have the thanks of the Chair. It may be that we will need some further testimony from you as we proceed with this phase of the hearing. If you will, please remain available for further testimony.

Mr. BURROWS. Thank you, sir.

The CHAIRMAN. You may stand aside.

Call the next witness, please.

Mr. KENNEDY. Mr. Chairman, could we put these affidavits into the record?

The CHAIRMAN. The Chair has before him an affidavit from John Schul dated the 18th day of November 1958. This affidavit may be inserted in the record at this point.

(The affidavit referred to follows:)

AFFIDAVIT

I, John Schul, reside at 710 Porter Street, Wichita, Kans., and, being duly sworn, make the following statement to Mr. L. J. Duffy, who has identified himself to me as an investigator for the United States Senate Select Committee on Improper Activities in the Labor or Management Field.

Since May 1, 1956, I have been vice president and general manager of the L. D. Supply Co., located at 436 Maple Street, Wichita, Kans. During the period from November 15, 1936, to November 15, 1955, when I resigned, I was purchasing agent for the Coleman Co., whose main office is in Wichita, Kans. During my last 2 years with the Coleman Co., I was director of material and was a member of the staff of the president of the Coleman Co. While employed at the Coleman Co., I had access to the general counsel of management of the company in situations involving policies.

During the period 1951 and early 1952, the Coleman Co. had difficulty installing its furnaces in various sections of the country because certain products of the company did not have the label of the Sheet Metal Workers Union stamped on it. This matter was discussed by the management of the Coleman Co. and Mr. Louis Marks, field sales manager, who had previously become acquainted with Mr. Arthur Cronin, of the Sheet Metal Workers International Association.

Mr. Marks was delegated to contact Cronin to see if some situation could be worked out to solve the difficulty of the Sheet Metal Workers International Association on Coleman installations until a permanent solution could be ar-

ranged. Mr. Marks met with Mr. Cronin. Thereafter, the Coleman Co. had few labor difficulties. It was general knowledge at the Coleman Co. that Mr. Marks could see Mr. Cronin and have the company labor problems straightened out.

I am not familiar with the details of the relationship between Marks and Cronin, although I am sure they were not personal friends.

It was not until some months later that a formal solution to the company's problem was worked out. This was accomplished by having the Coleman Co. subcontract its duct work to the Sterling Manufacturing Co., of Wichita, Kansas. This particular company was not union before it received the contract from the Coleman Co. In order to secure the Sheet Metal Workers Union Stamp on the Coleman Co. products, it was necessary that the employees of the Sterling Co. be organized. However, the Sheet Metal Union organized only those employees of the Sterling Co. who handled Coleman Co. products.

I make the above statement freely and voluntarily, and with the knowledge that this statement may be used in public hearings conducted by the above-named committee.

JOHN SCHUL.

The CHAIRMAN. I have another affidavit from Mr. Floyd Wayland Richards, dated the 29th day of November 1958. That may be inserted in the record at this point.

(The affidavit referred to follows:)

AFFIDAVIT

I, Mr. Floyd Wayland Richards, who reside at 2949 Mabry Road NE., Atlanta, Ga., freely and voluntarily make the following statement to LaVern J. Duffy, who has identified himself to me as a member of the staff of the U. S. Senate Select Committee on Improper Activities in the Labor or Management Field.

No threats, force, or duress have been used to induce me to make this statement, nor have I received any promise of immunity from any consequences which may result from submission of this statement to the aforementioned Senate select committee.

I have been employed by the Coleman Co., Inc., of Wichita, Kans., for 31 years and am presently branch manager of our southeastern branch with main office at 1022 Marietta Street NW., Atlanta, Ga., telephone Trinity 3-1646. My home address is 2949 Mabry Road NE., Atlanta, Ga. My home telephone number is Cedar 7-3447.

During the period approximately 1950 to 1955, I was administrative assistant to Carl L. Burrows, who was at that time vice president in charge of sales for the Coleman Co., Inc. Because of my position I did work quite closely with Mr. Burrows and also with Mr. Lou Marks, who was at that time field sales manager of our Blend-Air Division. Because of this association, I was usually informed of out-of-town trips that either of these men planned.

Shortly after Mr. Marks became sales manager of the Blend-Air Division in Wichita, I attended the January furniture market in Chicago and worked with Mr. Marks in the Coleman booth. During the "market," Mr. Marks mentioned that we were having difficulty in Chicago because a union identified as the Sheet Metal Workers Union would not permit installation of our prefabricated (factory-built) distribution systems used with our Coleman furnaces. There is apparently no problem in the installation of the furnaces—just the prefabricated pipe and fittings. Mr. Marks mentioned that he was working on the problem of obtaining approval from the union in the Chicago area.

Later, in connection with the Chicago problem, Mr. Burrows did mention that we had worked out an arrangement that would enable us to sell our Blend-Air systems in the Chicago market and that it involved payment of a substantial sum of money by the company.

At one time I do recall Mr. Burrows telling me he was making a trip to Chicago in connection with the Sheet Metal Workers Union and that getting the approval in Chicago for our Blend-Air systems involved a sizable financial payment and that the matter of course was confidential.

After this particular trip by Mr. Burrows to Chicago, I do recall that Mr. Marks mentioned on two, or possibly three, occasions that he was making a trip to

Chicago in connection with the Sheet Metal Workers Union arrangement and at one time he did mention that he was carrying a substantial amount of money.

At another time I recall Mr. Burrows mentioning to me that the financial arrangements he and Mr. Marks were working on in Chicago with the Sheet Metal Workers Union would not only solve our problem in Chicago, but also St. Louis and any other spots where we have been experiencing difficulty.

The information above passed to me in conversation quite informally, because of my close association with Messrs. Burrows and Marks. However, until recently I have never been asked to give any statement, and since I had attached little significance to it at that time, am unable to attach any particular dates to the statements. Furthermore, the long passage of time has made it almost impossible. However, I am sure the facts related all occurred at some time between 1952 and 1954.

I have read the foregoing statement, and, to the best of my knowledge, it is true and correct.

/s/ FLOYD WAYLAND RICHARDS.

Sworn to and subscribed before me this 29th day of November 1958.

RALPH E. DANSON,
Notary Public, State of Florida at Large.

My commission expires July 31, 1959. Bonded by American Surety Co. of New York.

The CHAIRMAN. I also have an affidavit from Milton K. Arenberg, dated the 20th day of October 1958. This may also be inserted in the record at this point.

(The affidavit referred to follows:)

AFFIDAVIT

1234 WEST FULTON, CHICAGO, ILL.,
October 20, 1958.

1. I, Milton K. Arenberg, voluntarily make this statement to Irwin Langenbacher, who has identified himself as an assistant counsel, U.S. Senate Committee on Labor and Management. I am president of Robert Barclay, Inc., above address, manufacturers and wholesalers of automatic heating supplies.

2. We handled products of the Coleman Co. from about September 1953 to April 1957. During this period Louis Marks, of the Coleman Co., visited my office and told me that he had come to see Arthur Cronin of the Sheet Metal Workers Union because of the fact that in some areas sheet-metal workers were not permitted to install Coleman products.

He told me that he had straightened it out with Cronin, but gave no further details. He did not state or even hint that he had entered into any irregular transaction with Cronin, or that he had given Cronin anything of value. He did lead me to believe that he and Cronin were good friends, and he told me that if I had any trouble with the sale of Coleman products, I should call Cronin. I do not recall that I ever had any trouble in this respect, either before or after the aforementioned Marks visit.

3. I have no other information of interest concerning the Coleman Co.'s relationship with the Sheet Metal Workers Union.

/s/ MILTON K. ARENBERG.

Sworn to and subscribed before me this 20th day of October 1958.

LAWRENCE P. FELKER, *Notary Public.*

My commission expires March 1959.

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. Mr. Cronin.

The CHAIRMAN. Come forward, Mr. Cronin.

Be sworn, Mr. Cronin.

Do you solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. CRONIN. I do.

TESTIMONY OF ARTHUR H. CRONIN, ACCOMPANIED BY COUNSEL,
NATHAN M. COHEN

The CHAIRMAN. Mr. Cronin, state your name, your place of residence, and your business or occupation, please, sir.

Mr. CRONIN. Arthur H. Cronin. I am president of local 73 of the Sheet Metal Workers International Association, and fourth vice president of the international union. I live in River Forest, Ill.

The CHAIRMAN. You have counsel, Mr. Cronin?

Mr. CRONIN. I do.

The CHAIRMAN. Mr. Counsel, identify yourself for the record, please.

Mr. COHEN. Nathan M. Cohen, Chicago, Ill.

The CHAIRMAN. Are you a member of the Illinois bar?

Mr. COHEN. I am, sir.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Cronin, how long have you been with the Sheet Metal Workers Association?

Mr. CRONIN. As a member since 1925.

Mr. KENNEDY. When did you become an officer?

Mr. CRONIN. In 1941.

Mr. KENNEDY. What position did you have at that time?

Mr. CRONIN. At that time, business representative.

Mr. KENNEDY. Business—

Mr. CRONIN. Assistant business representative.

Mr. KENNEDY. Of local 73?

Mr. CRONIN. That is right.

Mr. KENNEDY. What area does local 73 encompass?

Mr. CRONIN. Chicago, Cook, and Lake Counties, Ill.

Mr. KENNEDY. How many members do you have?

Mr. CRONIN. About 4,000.

Mr. KENNEDY. Did you later become president of that local?

Mr. CRONIN. Of that local.

Mr. KENNEDY. When was that?

Mr. CRONIN. 1948; in July.

Mr. KENNEDY. Have you been president since that time?

Mr. CRONIN. Yes, sir.

Mr. KENNEDY. You have been an international vice president in the Sheet Metal Workers Union?

Mr. CRONIN. Since the same year, October 1948.

Mr. KENNEDY. How often are the elections?

Mr. CRONIN. Every 5 years.

Mr. KENNEDY. When was the last time you were elected?

Mr. CRONIN. I think 2 years ago, in June. Two years ago last June.

Mr. KENNEDY. Mr. Cronin, we have had some testimony which you have heard before the committee, regarding payments that Mr. Burrows states that he and Mr. Marks made to you over a period starting in June of 1952 and extending through December of 1954. Did you receive any or all of that money?

Mr. CRONIN. I did not.

Mr. KENNEDY. You did not receive any of that money?

Mr. CRONIN. I received one amount of \$5,000, which I returned to Mr. Burrows.

Mr. KENNEDY. But you did not receive the money, the \$2,000 in June of 1952?

Mr. CRONIN. I did not.

Mr. KENNEDY. And you did not receive the \$5,000 in January of 1953?

Mr. CRONIN. No.

Mr. KENNEDY. And you did not receive the \$5,000 in June of 1953?

Mr. CRONIN. No.

Mr. KENNEDY. And you did not receive the \$5,000 in December of 1953?

Mr. CRONIN. No.

Mr. KENNEDY. Did you receive the \$5,000 in June of 1954?

Mr. CRONIN. I did not.

Mr. KENNEDY. You did receive the \$5,000 in December of 1954, but you returned the money; is that correct?

Mr. CRONIN. I think that is the correct time or date.

Mr. KENNEDY. The testimony that Mr. Burrows gave before this committee—

Mr. COHEN. I think you said June of 1954. I think you meant to say December.

Mr. KENNEDY. June of 1954, and then in December of 1954 you received \$5,000 which you subsequently returned; is that correct?

Mr. CRONIN. That is correct.

Mr. KENNEDY. So Mr. Burrows' testimony that he was present and made payments to you of \$2,000 in June of 1952, another \$5,000 in January of 1953, that he personally was present when that money was paid to you, that testimony is incorrect?

Mr. CRONIN. That is correct.

Mr. KENNEDY. And the testimony that you received these other payments that he had personal knowledge of, that he made the checks out and gave the money to Mr. Marks to give to you, as far as your testimony before the committee it is that that testimony is not correct?

Mr. CRONIN. I didn't receive the money.

Mr. KENNEDY. You did not receive any of that money?

Mr. CRONIN. No, sir.

Mr. KENNEDY. Can you give the committee any explanation why Mr. Burrows would testify to the fact that he paid this money to you?

Mr. CRONIN. Well, I wouldn't know, Mr. Kennedy, other than that if they did take that money out of the company, Mr. Burrows and Mr. Marks, either one of them or both of them did something else with it, because they didn't give it to me.

Mr. KENNEDY. Did they discuss with you the fact—did Mr. Burrows or Mr. Marks discuss with you the fact that they were having difficulty getting their products installed?

Mr. CRONIN. Yes.

Mr. KENNEDY. You know both Mr. Burrows and Mr. Marks?

Mr. CRONIN. Well, I knew Mr. Marks. I didn't know Mr. Burrows very well. I think I met him two or three times at the very most.

Mr. KENNEDY. Did you meet him in June of 1952?

Mr. CRONIN. I can't recall as to the exact time or date when I first met him.

Mr. KENNEDY. When did you meet Mr. Marks then?

Mr. CRONIN. Well, I can't be too sure of that, Mr. Kennedy, but from the testimony I would say that might be right along in 1952, perhaps.

Mr. KENNEDY. Did you ever go to Mr. Marks' or Mr. Burrows' room at the La Salle Hotel?

Mr. CRONIN. I think that I might have been in Mr. Marks' room one time when I met Mr. Burrows.

Mr. KENNEDY. At the time you met Mr. Burrows?

Mr. CRONIN. I think that is correct.

Mr. KENNEDY. How did you happen to go to his room?

Mr. CRONIN. Mr. Marks asked me. I had never met Mr. Burrows.

Mr. KENNEDY. What was the purpose of going to his room?

Mr. CRONIN. Well, to discuss the Coleman situation. That is as much as I can tell you.

Mr. KENNEDY. Did you perform any services for them then?

Mr. CRONIN. Not especially.

Mr. KENNEDY. Did you look into the situation for them?

Mr. CRONIN. I referred it to our general office.

Mr. KENNEDY. Did you do anything personally on it?

Mr. CRONIN. Nothing.

Mr. KENNEDY. Did you ever contact anyone in connection with it?

Mr. CRONIN. I called our general secretary and told him that the Coleman Co. were desirous of organizing a shop in Kansas, and that inasmuch as that is far out of my jurisdiction, I have nothing to do with the general organizing, it was turned over to the general office.

Mr. KENNEDY. You never became interested in it yourself after that?

Mr. CRONIN. No, sir.

Mr. KENNEDY. That shop was organized in January of 1953. Subsequent to that, did they come to you at all, Mr. Marks or Mr. Burrows?

Mr. CRONIN. Well, they have had a situation in Chicago, Mr. Kennedy, where, when I became acquainted with Coleman, they did come to Chicago to install furnaces through their representative there, or through their distributor, and the chap who was working for the distributor came to me and asked what we would do about the installation of Coleman furnaces. I said we would have nothing to do with it; I mean, nothing against it, that we wouldn't stop them in any way. I did ask them, however, who was handling their furnaces at the time. As I remember, they mentioned two or three Chicago sheet-metal contractors who were handling the Coleman product. That was all right. The work went on, there was no stoppage of work, no trouble that I remember.

Mr. KENNEDY. After January of 1953, did you have many conversations with Mr. Marks?

Mr. CRONIN. Not too many.

Mr. KENNEDY. Did you spend some time with him?

Mr. CRONIN. No. He would come to Chicago occasionally, and I might meet him for lunch. But the entire transaction, I believe, was turned over to the general office, and handled by one of our general organizers.

Mr. KENNEDY. But he discussed the problems that he was having in the general areas of the country with you?

Mr. CRONIN. He might have, but it was not of too much interest to me, what happened in the other parts of the country.

Mr. KENNEDY. Did you assure him that you would try to help him out in the other sections of the country?

Mr. CRONIN. At one time he asked me if I would intercede, inasmuch as I was a vice president.

Mr. KENNEDY. When was that?

Mr. CRONIN. I don't remember the exact time, but it was in the early part of my meetings with Mr. Marks.

Mr. KENNEDY. What was that about?

Mr. CRONIN. Well, it was about handling their product in other parts of the country. He thought, as I remember, that we made the installations in Chicago, and they did complain, as I remember, about some of their work being stopped in other parts of the country because the fittings were not manufactured by them. I did tell him at that time that inasmuch as he was going to install this new type of furnace around the country, that it would be a good idea if his shop was organized. He wanted to know what the procedure would be, and I said that I would have nothing to do with that; however, that I would talk to our general office if that was satisfactory with him. It was, and the matter was turned over in its entirety to one of the international men.

Mr. KENNEDY. Then that must have been prior to January of 1953?

Mr. CRONIN. It could have been.

Mr. KENNEDY. Subsequent to that did you ever meet with him and discuss the problems that he was having throughout the country?

Mr. CRONIN. Not too much.

Mr. KENNEDY. You did not?

Mr. CRONIN. Only in a general way. Nothing specific.

Mr. KENNEDY. What were your meetings with him about, then?

Mr. CRONIN. Sir?

Mr. KENNEDY. What did you discuss at these meetings that you had with him?

Mr. CRONIN. Well, at the beginning it was regarding the Chicago situation.

Mr. KENNEDY. I am talking now about after you made the suggestion or after he said that the shop wanted to become organized. After that, what were you discussing with him?

Mr. CRONIN. Well, we might have talked about the situation and the organizing of the shop in Kansas. But it was merely as a matter of conversation.

Mr. KENNEDY. What about after that? The shop was organized in January of 1953. You met with him subsequently; did you not?

Mr. CRONIN. Not too many times. I wouldn't remember exactly how many times I met him. There were no prearranged meetings. If he happened to be in Chicago he might call me.

Mr. KENNEDY. Did he discuss the problems? According to the testimony of Mr. Burrows, they went to you whenever they had problems around the country; is that correct?

Mr. CRONIN. The only time Mr. Burrows discussed any problem with me was in December of 1953; is that right?

Mr. COHEN. 1954.

Mr. CRONIN. 1954, when he complained of some stoppages or trouble they might be having in different parts of the country. I did hear about Grants Pass, Oreg. I simply had to turn that over to the international office. I don't remember any other instances. I think per-

haps he might have discussed a problem they had in the East one time. But in every instance, that was turned over. I told him that he should turn it over directly to them, to the general office. If he wanted me to say something to them or to intercede, I would be glad to do it.

Mr. KENNEDY. Did you say that you would intercede for him?

Mr. CRONIN. It wasn't a matter of intercession. I simply suggested that he contact the general office, and that they would have to handle it, because I could have nothing to do with it. I had no power to do anything other than in our own jurisdiction in Chicago.

Mr. KENNEDY. As a vice president, you didn't have authority?

Mr. CRONIN. No, sir; we don't have that authority.

Mr. KENNEDY. You didn't assure him that you would try to help or assist him in other sections of the country?

Mr. CRONIN. No. I just told him that I would turn the matter over to our international office. Anything after that would have to be done by them.

Mr. KENNEDY. Did you ever talk or speak to anyone other than the international office, anyone in the international office?

Mr. CRONIN. No, sir.

Mr. KENNEDY. Who did you talk to in the international office?

Mr. CRONIN. I think on one occasion it might have been Ed Carlough, our general secretary.

Mr. KENNEDY. Who is he?

Mr. CRONIN. Our general secretary. Or perhaps even to the president.

Mr. KENNEDY. Mr. Byron?

Mr. CRONIN. That is right.

Mr. KENNEDY. Did you talk to Mr. Carlough?

Mr. CRONIN. I presume. I am not sure.

Mr. KENNEDY. You don't remember?

Mr. CRONIN. I think the conversation might be general. But there was nothing specific about it.

Mr. KENNEDY. Did you talk to Mr. Byron about it?

Mr. CRONIN. Only in a general way.

Mr. KENNEDY. Nothing specific?

Mr. CRONIN. No, sir.

The CHAIRMAN. Who is Mr. Carlough?

Mr. CRONIN. What is it, Senator?

The CHAIRMAN. Who is Mr. Carlough?

Mr. CRONIN. He is our general secretary-treasurer.

The CHAIRMAN. Did you discuss this situation in detail with Mr. Burrows, the problems he was having over the country?

Mr. CRONIN. About what, Senator?

The CHAIRMAN. About the problems he was having over the country, getting his products installed.

Mr. CRONIN. No, I don't think it was too much in detail.

The CHAIRMAN. Did you get enough information from him to have some idea of the problem he was having?

Mr. CRONIN. Well, I think more of that came from Mr. Marks.

The CHAIRMAN. All right, with Mr. Marks, then.

Mr. CRONIN. Well, he did say that they might have had trouble in different parts of the country. But you understand this was at the beginning of our meeting.

The CHAIRMAN. When did your meetings first begin?

Mr. CRONIN. Well, I can't remember the exact date. I think perhaps your records show that.

The CHAIRMAN. Did Mr. Cronin have any working arrangements with your union?

Mr. CRONIN. Mr. Cronin? I am Mr. Cronin.

The CHAIRMAN. Did Mr. Burrows have any working arrangements with your union?

Mr. CRONIN. Mr. Burrows? No; not to my knowledge.

The CHAIRMAN. Did the Coleman Co.?

Mr. CRONIN. In the Chicago area, are you talking about?

The CHAIRMAN. I don't care where it was. Anywhere.

Mr. CRONIN. The only place I can speak for is the Chicago area. That was handled through distributors. We had no direct arrangements with the Coleman Co.

The CHAIRMAN. There wasn't anything, then, for the Coleman Co. to be pleased about, the arrangements they had made with your union?

Mr. CRONIN. I couldn't answer. I don't know anything about that.

The CHAIRMAN. I hand you a photostatic copy of a letter dated July 22, 1953, on Sheet Metal Workers International Association stationery, 3350 Jackson Boulevard, Chicago 24, Ill. The letter is addressed to Mr. Carl Burrows, the Coleman Co., Wichita, Kans.; and signed "A. H. Cronin, president."

I hand you a photostatic copy of that letter, or what purports to be, and ask you to examine it and state if you identify it.

(Document handed to the witness.)

(The witness conferred with his counsel.)

Mr. CRONIN. That is right, that is mine.

The CHAIRMAN. That is your letter?

Mr. CRONIN. Yes.

The CHAIRMAN. That may be made exhibit No. 10A.

(Document referred to was marked "Exhibit No. 10A" for reference, and will be found in the appendix on p. 15940.)

The CHAIRMAN. Did you receive a reply to that letter?

Mr. CRONIN. I wouldn't remember.

The CHAIRMAN. I hand you a photostatic copy of what purports to be a reply to it. I will ask you to examine that and state if you identify it.

(Document handed to the witness.)

(The witness conferred with his counsel.)

Mr. CRONIN. That apparently was addressed to me. I don't remember that letter.

The CHAIRMAN. Do you keep files of your correspondence?

Mr. CRONIN. Pretty much so. I don't keep them myself. They are kept in the office.

The CHAIRMAN. Are they kept for you?

Mr. CRONIN. They are kept in the office; yes.

The CHAIRMAN. Do you know why a copy of this letter which you have identified of Mr. Burrows, of July 2, 1953, is not in your files?

Mr. CRONIN. I couldn't say that.

The CHAIRMAN. What happened to the original, of which this is a copy of the reply you received to it?

Mr. CRONIN. I don't know.

The CHAIRMAN. That photostatic copy of the reply may be made exhibit 10B.

(Document referred to was marked "Exhibit No. 10B" for reference, and will be found in the appendix on p. 15941.)

The CHAIRMAN. The Chair will read the two letters into the record at this point.

The first one, exhibit 10A, of July 2, 1953, is to Mr. Carl Burrows, Coleman Co., Wichita, Kans.

DEAR MR. BURROWS: The writer spent a pleasant few hours with Lou Marks in Chicago, Ill., last week. We discussed conditions in various parts of the country relative to your product, and again I would like to assure you of our cooperation as we feel that the agreement is of mutual benefit.

General Secretary Edward F. Carlough suggested that you visit our offices in the Transportation Building when you are in Washington. He also thought that it might be a good idea if you could furnish him with some pictures and data on the manufacturing of your fittings. He thought it might make an interesting article for our national journal which is published monthly. This, too, would be a good way of letting our members all over the country know that the fittings in connection with your installations carry our union label.

Looking forward to seeing you in the near future, and with best wishes, I am,

Very truly yours,

A. H. CRONIN, *President.*

The reply is dated July 7, 1953, to Mr. A. H. Cronin, president, Sheet Metal Workers International Association, 3350 Jackson Boulevard, Chicago 24, Ill.

DEAR MR. CRONIN: Thanks so much for your letter of July 2. It would appear that our working arrangements with your union are excellent. I welcome an opportunity to see your general secretary, Mr. Carlough, on my next trip to Washington, and I am asking our advertising manager to send him complete information on our product for an article in your national journal. We would, by the way, very much appreciate such an article. We think it might be helpful to us.

With best wishes, I am,

Yours very truly,

The COLEMAN Co., INC.

Printed on the left-hand side is "C. L. Burrows." The stenographic identification is "J. B."

What were the working arrangements that you had, Mr. Cronin?

MR. CRONIN. The only way I could answer that, Senator, is by saying that they did come to an agreement probably with our international union.

The CHAIRMAN. You obviously knew about it.

MR. CRONIN. Sir?

The CHAIRMAN. You obviously knew about it, whatever it was.

MR. CRONIN. I knew about the general conditions, but I knew absolutely nothing about how the Coleman Co. entered into an agreement with our international union.

The CHAIRMAN. You had something in mind when you wrote this, speaking about your visit with Mr. Marks:

We discussed conditions in various parts of the country relative to your product, and again I would like to assure you of our cooperation, as we feel that the agreement is of mutual benefit.

What agreement were you referring to?

MR. CRONIN. I would say the international agreement.

The CHAIRMAN. What was it?

MR. CRONIN. I don't recall. I didn't have anything to do with signing it or entering into it or arranging it.

The CHAIRMAN. How could you know that it was going to work to the mutual benefit?

Mr. CRONIN. Because we were told that there was such an agreement.

The CHAIRMAN. He hadn't yet seen Mr. Carlough.

Mr. CRONIN. Then Mr. Carlough probably told me.

The CHAIRMAN. He hadn't yet seen Mr. Carlough.

General Secretary Edward F. Carlough suggested that you visit our offices in the Transportation Building when you are in Washington.

Mr. CRONIN. Undoubtedly Mr. Carlough had turned the assignment over to an international man who signed the agreement. I don't think Mr. Carlough had anything to do with signing the agreement.

The CHAIRMAN. Had the agreement been signed at that time?

Mr. CRONIN. I wouldn't know, Senator; I don't know.

The CHAIRMAN. You seem to know it was in existence.

Mr. CRONIN. If that letter was written that way, then perhaps it was signed at that time. But my recollection of the date of the signing is vague. I don't know the dates.

The CHAIRMAN. When was the first time Mr. Burrows contacted you? When was the first time you saw him?

Mr. CRONIN. I don't know the date.

The CHAIRMAN. He testified that the first time he saw you, I believe, was when he gave you the first money on the 8th of May 1952, or shortly thereafter. That is the date of the letter to cash the check. Within just a few days after that.

Mr. KENNEDY. One moment, Mr. Chairman.

The CHAIRMAN. I am asking the witness about this. According to the testimony here, with evidence corroborating to some extent by exhibits 1A, 1B, and 1C, when a \$2,000 check transaction was had with the Continental Illinois National Bank & Trust Co., Chicago, Ill. Mr. Burrows testified that he cashed this \$2,000 check there, walked down the street with you and Mr. Marks, and gave you this \$2,000.

Did you see Mr. Burrows at that time?

Mr. CRONIN. I don't remember whether—

The CHAIRMAN. Do you deny that you saw him on that trip?

Mr. CRONIN. I deny. I tell you frankly that Mr. Burrows' testimony as to meeting me and handing me an envelope with \$2,000 is false.

The CHAIRMAN. All right. You stated that emphatically.

Did you see him at that time that he claims that he handed you that envelope?

Mr. CRONIN. Pardon me. I could have seen him around that time. It could have been around the time that I met him.

The CHAIRMAN. Then you do not deny that you may have met him and seen him at that time?

Mr. CRONIN. I never did deny that I met Mr. Burrows. I said I met him two or three times, but I don't know the dates.

The CHAIRMAN. Would that date be substantially correct?

Mr. CRONIN. It wouldn't be anything in my memory.

The CHAIRMAN. Obviously you had met him before July 7, 1953.

Mr. KENNEDY. Mr. Chairman, that other payment was a payment of \$2,000, according to the previous witness, \$2,000 in June of 1952; \$5,000 in January of 1953; and then another payment of \$5,000 at the

end of June 1953. This letter was then written on July 7, 1953, and obviously refers to the meeting where Mr. Burrows said that the third payment was made.

The CHAIRMAN. This was July 2, 1953.

Mr. KENNEDY. That was about 6 or 7 days after the meeting.

The CHAIRMAN. The third payment?

Mr. KENNEDY. That is correct.

The CHAIRMAN. I do not recall the number of times.

Mr. Burrows, come forward a moment, please, sir.

TESTIMONY OF CARL L. BURROWS—Resumed

The CHAIRMAN. Mr. Burrows, to get the record absolutely clear, since there appears to be an irreconcilable conflict of testimony between you and the witness Mr. Cronin, as I understood your testimony the \$2,000, which is represented by No. 1A, 1B, and 1C, was on the day you cashed the check and paid it to the witness Mr. Cronin?

Mr. BURROWS. That is correct, sir.

The CHAIRMAN. By you in person?

Mr. BURROWS. That is correct.

The CHAIRMAN. With Mr. Marks present?

Mr. BURROWS. That is correct.

The CHAIRMAN. That is one payment you made, and that one was made on the street?

Mr. BURROWS. That is correct.

The CHAIRMAN. How long after you had cashed the check?

Mr. BURROWS. I would say within 15 minutes.

The CHAIRMAN. Within 15 minutes afterward. The second payment is represented here by documents made exhibits 2A, 2B, and 2C, about the 15th of January 1953, the amount being \$5,000.

Did you personally deliver that \$5,000 to the witness Mr. Cronin?

Mr. BURROWS. No, I did not. I delivered it to Mr. Marks, but I was present when it was delivered to Mr. Cronin.

The CHAIRMAN. You saw Mr. Marks deliver the envelope containing the money to Mr. Cronin?

Mr. BURROWS. That is correct.

The CHAIRMAN. So you know that was delivered?

Mr. BURROWS. That is right.

The CHAIRMAN. The third one was the 18th of June 1953, as represented by exhibits 3A, 3B, and 3C, again in the amount of \$5,000. Did you deliver that money to Mr. Cronin?

Mr. BURROWS. No, sir.

The CHAIRMAN. You were not present when it was delivered?

Mr. BURROWS. No, sir.

The CHAIRMAN. You therefore couldn't swear of your own personal knowledge that it actually was delivered?

Mr. BURROWS. No, sir.

The CHAIRMAN. Were you present when the money was supposedly delivered to Mr. Cronin, the \$5,000, the latter part of December or the first of January 1953 and 1954?

Mr. BURROWS. I am sorry, I wasn't following you, Senator.

The CHAIRMAN. That is the fourth payment.

Mr. BURROWS. And there was a fifth one.

The CHAIRMAN. There was a fifth one.

Mr. BURROWS. I was not present on the occasion of the fourth payment.

The CHAIRMAN. You were not present on the occasion of exhibit 4, represented by exhibit 4A, 4B, and 4C?

Mr. BURROWS. No, sir.

The CHAIRMAN. All you know is the information you have?

Mr. BURROWS. Through Mr. Marks; yes.

The CHAIRMAN. You knew the money was withdrawn in both this instance and the previous instance for the purpose of giving it to Mr. Cronin?

Mr. BURROWS. That is correct.

The CHAIRMAN. But you didn't actually see it delivered?

Mr. BURROWS. I wasn't present.

The CHAIRMAN. You did see the first \$2,000 delivered. You delivered that yourself?

Mr. BURROWS. That is correct.

The CHAIRMAN. And the second payment of \$5,000, you saw that delivered yourself?

Mr. BURROWS. That is correct.

The CHAIRMAN. Now we have the fifth one. That is in June 1954. Did you see that one delivered, as is represented here by exhibits 5A, 5B, and 5C? That, again, is in the amount of \$5,000.

Mr. BURROWS. We have had so many—

Mr. KENNEDY. June 1954, which is the next to the last payment.

Mr. BURROWS. No, sir.

The CHAIRMAN. You did not see that one paid?

Mr. BURROWS. No, sir.

The CHAIRMAN. Do you know the money was drawn for that purpose?

Mr. BURROWS. Yes, sir.

The CHAIRMAN. Whom did you instruct to give it to Mr. Cronin?

Mr. BURROWS. Mr. Marks.

The CHAIRMAN. Did he report back to you that it was delivered?

Mr. BURROWS. I am sure that he did, sir.

The CHAIRMAN. Now, we have the last payment represented by exhibits 6A, 6B, and 6C, dated approximately December 1, 1954. Were you present when that was delivered?

Mr. BURROWS. I delivered it.

The CHAIRMAN. You actually delivered that in person?

Mr. BURROWS. That is correct.

The CHAIRMAN. Where was it delivered?

Mr. BURROWS. In the LaSalle Hotel, in Chicago.

The CHAIRMAN. In whose room?

Mr. BURROWS. It was in the cocktail room.

The CHAIRMAN. In the cocktail lounge?

Mr. BURROWS. Yes.

The CHAIRMAN. Where was the second one delivered, the first \$5,000 payment, the one you say you were present for when it was delivered by Mr. Marks?

Mr. BURROWS. That was either in my room or Mr. Marks' room in the LaSalle Hotel.

The CHAIRMAN. May I ask you regarding these letters that I have just made exhibits about the one from Mr. Cronin to you dated July 2, 1953, now made exhibit 10A, and the copy of your reply thereto, dated July 7, 1953, to Mr. Cronin.

I will ask you to examine these exhibits and state if they are true photostatic copies of the original.

(Documents handed to the witness.)

Mr. BURROWS. Yes, sir.

The CHAIRMAN. Do you identify them?

I note in Mr. Cronin's letter to you this language. He is speaking with reference to his conversation. He said:

The writer spent a pleasant few hours visit with Lou Marks in Chicago, Ill., last week.

Was any payment made to Mr. Cronin at the time of this pleasant few hours with Mr. Marks, according to your information?

Mr. BURROWS. I don't have the dates of the checks, sir, but I think you will find one at about the same time.

The CHAIRMAN. I do find one here. The check was cashed on the 25th day of June in the amount of \$5,000. Do you recall whether Mr. Marks was in Chicago at that time?

Mr. BURROWS. I am sure that he was.

The CHAIRMAN. This letter was received by you a few days after Mr. Marks' visit there?

Mr. BURROWS. Correct.

The CHAIRMAN. At a time when \$5,000 was entrusted to Mr. Marks to deliver to Mr. Cronin?

Mr. BURROWS. Correct.

The CHAIRMAN. He says, after this pleasant few hours:

We discussed conditions in various parts of the country relative to your product, and again I would like to assure you of our cooperation.

What did you understand him to mean by "cooperation"? What had transpired preceding this letter that he could be referring to as cooperation?

Mr. BURROWS. All I can tell you, sir, is when we had a problem in some area, I normally referred it to Mr. Marks and he would take it up with Mr. Cronin and our troubles were handled in that way.

The CHAIRMAN. Your troubles would end?

Mr. BURROWS. That's right.

The CHAIRMAN. He says "as we feel that the agreement is of mutual benefit." What did he refer to there as "the agreement"?

Mr. BURROWS. I can't tell you that, sir. I had no specific agreement with Mr. Cronin.

The CHAIRMAN. Did you have any agreement at that time with the international, as such?

Mr. BURROWS. I can't tell you that, either.

(The witness conferred with his counsel.)

Mr. BURROWS. I don't believe we did.

The CHAIRMAN. Had you ever visited the international office up to that time?

Mr. BURROWS. I never did visit it.

The CHAIRMAN. Did you at that time know Mr. Howard Carlough?

Mr. BURROWS. I don't know him now.

The CHAIRMAN. You had never met him?

Mr. BURROWS. No, sir.

The CHAIRMAN. He says "the agreement is of mutual benefit." You had no agreement, as I understand, with the international?

Mr. BURROWS. I don't believe so, sir.

The CHAIRMAN. That is, other than such an agreement as you may have had with Mr. Cronin.

Mr. BURROWS. That's right.

The CHAIRMAN. He had represented the international in his contacts with you, or you had gone to him, you and Mr. Marks, as a representative of the international?

Mr. BURROWS. Mr. Marks had gone to him when we were in trouble; yes.

The CHAIRMAN. This says "feel that the agreement is of mutual benefit." You were getting some benefit from it, were you not, by not being molested?

Mr. BURROWS. That's right.

The CHAIRMAN. What benefit could the union be getting from it other than the payments you were making to Mr. Cronin?

Mr. BURROWS. I don't know.

The CHAIRMAN. Well, he says "of mutual benefit." I do not know whether he meant of mutual benefit to the union, to the lodge, or to himself and to you.

Mr. BURROWS. I wouldn't know that.

The CHAIRMAN. You would know \$5,000 worth, would you not, at that time?

Mr. BURROWS. Yes, sir; that is correct.

The CHAIRMAN. Plus what you had previously paid?

Mr. BURROWS. That is correct.

The CHAIRMAN. There is that much benefits to somebody, either Mr. Cronin or the union, is there not, or someone else?

Mr. BURROWS. That is correct.

The CHAIRMAN. So he expressed his satisfaction with the arrangement that it was of mutual benefit, and also assured you of his cooperation or, "our cooperation," as he refers to it. What did you understand about all of that? What action did you take, or what satisfaction did it give you to have such assurances from Mr. Cronin?

Mr. BURROWS. Well, it gave me no particular satisfaction because we weren't having any particular trouble. I mean when we had trouble we would call it to Mr. Cronin's attention and he took care of it for us.

The CHAIRMAN. He took care of it, and you took care of Mr. Cronin, in turn?

Mr. BURROWS. That is correct.

The CHAIRMAN. With cash payments?

Mr. BURROWS. That is correct.

The CHAIRMAN. And that was the only agreement that you had?

Mr. BURROWS. That is correct.

The CHAIRMAN. That is the only arrangement he could possibly be referring to here, when he says that the "agreement is of mutual benefit"?

Mr. BURROWS. So far as I know.

The CHAIRMAN. You know of nothing else he could be referring to?

Mr. BURROWS. No.

The CHAIRMAN. You could not have anything else in mind from your contacts with him and what you knew about him, except that he meant that the payoffs to him were of mutual benefit for the services rendered to you?

Mr. BURROWS. That is correct.

The CHAIRMAN. I note in your reply after thanking him for his letter you say:

It would appear that our working arrangements with your union are excellent.

Did you write that letter?

Mr. BURROWS. Yes, sir.

The CHAIRMAN. What did you have in mind when you made that statement?

Mr. BURROWS. Well, I think just what the letter says, sir.

The CHAIRMAN. Just what you have been talking about?

Mr. BURROWS. That we were getting along fine.

The CHAIRMAN. Just what you testified to here?

Mr. BURROWS. That is correct.

The CHAIRMAN. That is why the arrangements were excellent?

Mr. BURROWS. That is right.

The CHAIRMAN. And he was head of the union, not only of that local but also a vice president of the international?

Mr. BURROWS. That is correct.

The CHAIRMAN. So when you referred to the union, you meant the things you had worked out with him and the transactions as you were handling them at the time and the results you were getting, they were excellent?

Mr. BURROWS. They were satisfactory, excellent.

**TESTIMONY OF ARTHUR H. CRONIN, ACCOMPANIED BY COUNSEL,
NATHAN M. COHEN—Resumed**

The CHAIRMAN. Mr. Cronin, you heard the further testimony of Mr. Burrows. Do you wish to comment on it?

Mr. CRONIN. Just to say that it is false.

(The witness conferred with his counsel.)

The CHAIRMAN. You state that the testimony given here by Witness Burrows is definitely false?

Mr. CRONIN. Yes. I would like to add to that. Inasmuch as Mr. Marks comes into the picture, I would only like to say if these finances were taken out of the Coleman Co., and given to Mr. Marks or Mr. Burrows, I just say that neither one of them ever gave me any money except the last payment of \$5,000, which I returned.

The CHAIRMAN. May I ask you if you had a conversation with Mr. Burrows after you had returned the \$5,000?

Mr. CRONIN. Yes.

The CHAIRMAN. Where did you have that conversation?

Mr. CRONIN. He called me on the phone and made a date to come to Chicago and, as I remember, he asked me what the trouble was. I said, "There was no trouble, no trouble at all." I told him that I returned the \$5,000 because I didn't want it.

The CHAIRMAN. Did you discover at that time that an internal revenue man was witnessing these payoffs?

Mr. CRONIN. I did not know anything about that. I don't know anything about it now.

The CHAIRMAN. You state now you do not know anything about it?

Mr. CRONIN. I don't know anything about it.

The CHAIRMAN. Do you mean to say you never heard of such occurring?

Mr. CRONIN. No; I can't remember hearing anything like that.

The CHAIRMAN. If you had heard about it, you would likely have remembered it?

Mr. CRONIN. I am sorry, Senator. I just don't remember anything about that at all.

The CHAIRMAN. You can't remember anything about it.

The Chair would make this observation.

Well, first, how long did you keep this last \$5,000 that has been testified to here before you returned it?

Mr. CRONIN. I think it was the next day that I sent it back.

The CHAIRMAN. According to the testimony here it would seem to be for about 4 days.

Mr. CRONIN. I don't think it was that long, Senator.

Mr. KENNEDY. We have the registered letter.

Mr. CRONIN. It could have been 2 or 3 days. I don't know. Maybe it covered over Saturday and Sunday. I don't remember.

Mr. KENNEDY. Four days, Mr. Chairman.

The CHAIRMAN. The record will reflect the time. What transpired during the time you kept the money?

Mr. CRONIN. I don't know what you mean, "what transpired."

The CHAIRMAN. Anything that would throw any light on the transaction?

Mr. CRONIN. Nothing, to my knowledge.

The CHAIRMAN. Did you report to the president or to the general secretary of the international that you had received this money?

Mr. CRONIN. I did not.

The CHAIRMAN. You have never reported that you received it?

Mr. CRONIN. That's right.

The CHAIRMAN. You have never conveyed that information to anyone else?

Mr. CRONIN. That's right.

The CHAIRMAN. It is something you kept as a secret of your own?

Mr. CRONIN. That's right.

The CHAIRMAN. What did you regard the \$5,000 as at the time you received it? When you discovered you had \$5,000, what did you think it was intended for, or how did you regard it?

Mr. CRONIN. Well, I didn't like it. I don't know how I regarded it. I didn't want it. Apparently, it was a present. I didn't want it and I returned it.

The CHAIRMAN. A further check of the records here, the documents that have gone in as exhibits, that have been sworn to here, reflects that you retained the money for 7 days instead of 4.

Mr. CRONIN. No; I don't believe that is true.

Mr. KENNEDY. We can put the witness on, Mr. Chairman.

We have examined the check and examined the document. The money was passed on December 20. Your letter was written on December 24, but the letter was not sent. The postmark shows that the letter was not sent returning the money until December 27.

Mr. CRONIN. Could that have been over a weekend, do you think, or some holiday?

Mr. KENNEDY. The least it could have been would be 4 days, December 24, and if you had \$5,000 and somebody paid you off, I would think you would want to get that in the mailbox immediately, that you would not be keeping it until December 27. It is December 27 when the letter is postmarked.

The CHAIRMAN. Apparently, if it is dated correctly, if it was written on that date, it was dated 4 days afterwards but the letter was not actually mailed until 7 days afterwards. During that time, what did you do with the \$5,000?

Mr. CRONIN. Well, I don't remember how many days it was. You tell me it was 4. I don't remember. As soon as I could get to the bank where I do business, I had a check made out and sent it back, whether it was 1 day, 2, 3, or 4.

I think there might have been some holidays in between there. I am not sure.

(The witness conferred with his counsel.)

The CHAIRMAN. That could have been. I am just trying to get the record straight.

Mr. CRONIN. Well, as soon as I opened the envelope, Senator, I made up my mind to send it back.

The CHAIRMAN. May I ask you did you make a deposit of that \$5,000?

Mr. CRONIN. No, sir.

The CHAIRMAN. You took the same money you received and bought the cashier's check?

Mr. CRONIN. Yes.

The CHAIRMAN. Sir?

Mr. CRONIN. Yes.

The CHAIRMAN. The identical money you received?

Mr. CRONIN. That is right.

The CHAIRMAN. Was that a strange thing to happen to you?

Mr. CRONIN. Quite strange.

The CHAIRMAN. So strange that you thought it ought to be kept secret?

Mr. CRONIN. I didn't think of it that way, as keeping it secret.

The CHAIRMAN. Did you ever ascertain in your telephone conversation or later in your personal conversation with Mr. Burrows—and I believe you did later have a personal conversation with him; is that correct?

Mr. CRONIN. That is right.

The CHAIRMAN. After you had returned this money, that is. Did you ascertain from him either in the telephone conversation or in the personal conversation you had with him thereafter, what he had in mind, what the purpose was of his handing you this \$5,000?

Mr. CRONIN. No. I thought it strange, but we didn't talk too much when he came to Chicago.

The CHAIRMAN. Did you have any curiosity to inquire into it as to why he did it?

Mr. CRONIN. No, I didn't. I did not ask.

The CHAIRMAN. You did not think he was trying to bribe you?

Mr. CRONIN. Well, that did come to my mind. I thought of it more as a present.

The CHAIRMAN. As what?

Mr. CRONIN. As a present, prior to Christmas. I didn't want the thing.

The CHAIRMAN. You didn't say that in your letter.

Mr. CRONIN. I didn't answer a letter regarding that.

The CHAIRMAN. No. You wrote a letter returning the money.

Mr. CRONIN. That's right.

The CHAIRMAN. You thought he was handing you a big Christmas present; was that your idea of it?

Mr. CRONIN. That is my idea of it.

The CHAIRMAN. Would you have accepted a Christmas present from him?

Mr. CRONIN. No, sir.

The CHAIRMAN. Of any kind?

Mr. CRONIN. No, sir.

The CHAIRMAN. Then since he called you and wanted to talk to you about it when he came to see you, why did you not ask him what in the world he had in mind doing such a strange thing?

(The witness conferred with his counsel.)

Mr. CRONIN. Would you read the question, please?

The CHAIRMAN. I say why did you not inquire of him when he came and talked to you about what he had in mind by doing such a strange thing.

Mr. CRONIN. Well, Senator, we had a conversation in my office and we might have talked of that, but I don't remember the conversation.

The CHAIRMAN. Did you ever have any other employer, businessman, hand you \$5,000 in a package like that?

Mr. CRONIN. No, sir.

The CHAIRMAN. Any smaller amounts?

Mr. CRONIN. No, sir.

The CHAIRMAN. That was a most unusual occurrence, then, in your experience, was it not?

Mr. CRONIN. It certainly was.

The CHAIRMAN. And you did not have enough curiosity about it to ask Mr. Burrows when he came to see you to talk to you about it, to ask him what he had in mind, what he was trying to do, or what the purpose of giving you \$5,000 was?

Mr. CRONIN. It is pretty hard for me to remember the conversation, Senator.

The CHAIRMAN. Don't you think you would remember that, 1954?

Mr. CRONIN. No, I don't remember. I don't remember the conversation we had. It was short. He came to my office. He was only there about 10 minutes and he left.

The CHAIRMAN. What was your first contact with Mr. Burrows, by telephone or in person?

Mr. CRONIN. If my memory serves me correctly, I think that Mr. Marks introduced me to him in Chicago.

The CHAIRMAN. In December 1954, when this \$5,000 payment was made, which you acknowledge having received but returned, who initiated that meeting?

Mr. CRONIN. Mr. Burrows.

The CHAIRMAN. Did Mr. Burrows call you or did you call Mr. Burrows?

Mr. CRONIN. Mr. Burrows called me. I heard him testify.

The CHAIRMAN. It was a meeting that was arranged by a telephone conversation; is that correct; but it was on Mr. Burrow's call, you state?

Mr. CRONIN. As I remember, Mr. Burrows called me. I do not remember calling Mr. Burrows to arrange a meeting.

The CHAIRMAN. And Mr. Marks died at that time?

Mr. CRONIN. I did not know when Mr. Marks died or whether he was with the firm or not.

Mr. BURROWS. He died shortly thereafter.

The CHAIRMAN. Was he active with your company?

Mr. BURROWS. He was no longer with us.

The CHAIRMAN. He was no longer with your company at that time. May I ask you who initiated this meeting? He testified it was done by telephone arrangement. Did you place the call to Mr. Cronin or did he call you?

Mr. BURROWS. Mr. Cronin called me.

The CHAIRMAN. Do you remember the date of it?

Mr. BURROWS. I do not.

The CHAIRMAN. Have we checked those?

Mr. KENNEDY. We will have to collect it.

The CHAIRMAN. We will check the records of the telephone exchange to see if we can determine the accuracy of the testimony as to which is accurate and which is incorrect. Is there anything further at this time? Senator Kennedy?

Senator KENNEDY. On an entirely different matter, is it customary for the sheet-metal workers to refuse to install products which are made by the stove mounters?

Mr. CRONIN. We have never refused to install them in Chicago.

Senator KENNEDY. Do you know if the union has refused, or have you ever heard of that?

Mr. CRONIN. Have I heard that? I heard that there have been stoppages of work, Senator Kennedy, but I don't know where they were.

Senator KENNEDY. In other words, within the area of your competence, you know of no case where your members of your union refused to install the products manufactured by this company?

Mr. CRONIN. That is correct.

Senator KENNEDY. Thank you.

Mr. KENNEDY. Why did you keep this correspondence that was turned over to you in December of 1954?

Mr. CRONIN. Keep what correspondence?

Mr. KENNEDY. Correspondence dealing with the problems that this company was having out on the west coast.

Mr. CRONIN. Because I was just afraid, and that is why I had the check photostated and the letter, too, so that I would have a record of returning the money.

Mr. KENNEDY. Why did you keep the correspondence? Why didn't you return that?

Mr. CRONIN. Why didn't I return?

Mr. KENNEDY. Why didn't you return the correspondence dealing with the problems that the company was having on the west coast that Mr. Burrows gave to you?

Mr. CRONIN. I think that that particular letter, Mr. Kennedy, I called the international office on. I don't remember just what happened, but it wasn't of a major proportion, that trouble they had, insofar as I was concerned.

Mr. KENNEDY. Did you call the international office about it?

Mr. CRONIN. I think, as I remember, I did; yes.

Mr. KENNEDY. Why were you taking such an interest in helping the Coleman Co.?

Mr. CRONIN. Well, I wasn't taking too much of an interest. The only interest I took in it was an interest that I would take in any company that might have been interested in organizing their shop. Inasmuch as it was out of my jurisdiction, I turned it over to the international office. I had no personal interest in it whatever.

Mr. KENNEDY. Did you read the correspondence while you were in the restaurant?

Mr. CRONIN. What correspondence?

Mr. KENNEDY. These letters that Mr. Burrows had with him.

Mr. CRONIN. Later on, as I got home, as I remember that day and I think Mr. Burrows remembers it, it was very dark in that cocktail lounge.

Mr. KENNEDY. So you could not read it?

Mr. CRONIN. I couldn't read it then; no.

Mr. KENNEDY. The only thing in that envelope was the \$5,000?

Mr. CRONIN. That's right, as I remember it.

Mr. KENNEDY. Did you open that envelope when you got home, too?

Mr. CRONIN. When I got home; yes.

Mr. KENNEDY. You definitely did not read the correspondence while you were in the restaurant.

Mr. CRONIN. I tried to read it and it was too dark.

Mr. KENNEDY. What did you think was in the envelope when he gave it to you?

Mr. CRONIN. I didn't know. I didn't particularly pay any attention to it.

Mr. KENNEDY. Why didn't you open it up then?

Mr. CRONIN. I didn't want to open anything up then. I tried to read the letter and I couldn't even see the printing on the letter.

Mr. KENNEDY. What did you expect was in the envelope?

Mr. CRONIN. I didn't have any idea.

Mr. KENNEDY. I don't understand. Somebody hands you an envelope and you didn't open it. You did open it that day and did not return it for 7 days, but there was \$5,000 in it. It sounds very peculiar at best; don't you think?

Mr. CRONIN. I hadn't given it a thought.

Mr. KENNEDY. Did you receive any money from any other companies or employers?

Mr. CRONIN. No.

Mr. KENNEDY. You never have?

Mr. COHEN. Senator McClellan?

The CHAIRMAN. We are not through with this witness yet. Before recessing for lunch, the Chair wishes to make this observation:

It is very disheartening to have witnesses come before us and tell such conflicting stories. We are only trying to ascertain the truth. We place witnesses on the stand often without any preconceived ideas as to whether they will tell the truth or not tell the truth or even not answer questions.

It is perfectly apparent to everyone that the testimony of Mr. Burrows and the testimony of Mr. Cronin is in irreconcilable conflict. The testimony is such, so diametrically opposite as to facts and truths, that it does not permit acceptance of it as an honest difference of opinion.

The testimony is in disagreement or in conflict. It is not opinion evidence but statements of fact on transactions that either occurred or did not occur. They cannot be accepted, therefore, as honest differences of opinion, lack of recollection, or even faulty memory.

One of you, in my judgment, and I think we will all agree, has deliberately perjured himself before this committee. It is not always possible for us to determine immediately who is committing the perjury, though we may have a definite opinion about it.

In such cases, it becomes the duty of this committee, as I conceive our function, to promptly transmit the transcript of this testimony to the Justice Department. That will be done today or as soon as the transcript can be prepared and the Justice Department will be urged to promptly pursue it to the end that it may be determined who is the perjurer and who is telling the truth with a view to having him who committed the crime of perjury prosecuted and a penalty imposed according to law.

We will recess until 2 o'clock this afternoon, when both of the witnesses will be back.

Mr. COHEN. Senator McClellan?

The CHAIRMAN. Mr. Counsel, I beg your pardon.

Mr. COHEN. May I pose a question to the Chair? We did want to explore further the matter of your exhibits 10-A and 10-B, which were testified to in response to your questions by Mr. Burrows.

It seems that there is an impression left that there was some arrangement spoken of which is unexplained. Mr. Cronin would like to explain that.

The CHAIRMAN. For your information, we will recall the witness immediately upon reconvening.

(Whereupon, at 1:10 p.m., the hearing in the above-entitled matter was recessed, to reconvene at 2:15 p.m. of the same day.)

(Present at the taking of the recess were Senators McClellan and Kennedy.)

AFTERNOON SESSION

The CHAIRMAN. The committee will be in order.

(Present at the reconvening of the session were Senators McClellan and Kennedy.)

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. Mr. Cronin, please, Mr. Chairman.

TESTIMONY OF ARTHUR CRONIN, ACCOMPANIED BY HIS COUNSEL,
NATHAN COHEN—Resumed

The CHAIRMAN. Mr. Cronin, have a seat. You will remain under the same oath.

Proceed, Mr. Counsel.

Mr. KENNEDY. Mr. Cronin, your personal financial books and records were subpoenaed, were they not, in October of this year?

Mr. CRONIN. That is right.

Mr. KENNEDY. Do you have those books and records available?

Mr. CRONIN. No, I don't have them with me. I didn't realize I was coming down here until yesterday afternoon.

The CHAIRMAN. Let me have the subpoena, please.

Mr. CRONIN. May I go ahead?

The CHAIRMAN. Just a moment, please.

Mr. KENNEDY. We will have to get it downstairs.

The CHAIRMAN. We will send and get the subpoena and you may proceed. The Chair will examine it and then make proper disposition of it.

Mr. CRONIN. I believe there was a subpoena issued in October to me, as an individual, and also as president of the Chicago local. They were accepted by my attorney and I am not too sure just what happened, but I believe that they call for "forthwith," and that was waived with the understanding that we would submit our records to the investigators, which we did.

Now, when the others of our union were subpoenaed last week, I believe, I did not receive a subpoena.

Mr. KENNEDY. I am talking about your personal books and records.

Mr. CRONIN. That's right.

Mr. KENNEDY. They were subpoenaed in October of this year.

Mr. CRONIN. That's right, Mr. Kennedy.

The CHAIRMAN. May I ask you if you are now prepared to make them available to the committee?

Mr. CRONIN. I will be glad to make them available, but I don't have them with me. I didn't know I was coming down here until yesterday afternoon.

The CHAIRMAN. Then I understand you will promptly comply with the subpoena.

Mr. CRONIN. As soon as I can get back to Chicago and bring them back with me. I don't have them with me.

The CHAIRMAN. You will be under orders to deliver your records and make them available to the committee promptly upon your return.

Mr. CRONIN. At any particular time?

The CHAIRMAN. As quickly as you can get them together. How long do you think it will take you to arrange to submit them.

Mr. CRONIN. Well, I ought to have a week or 10 days.

Mr. KENNEDY. This is since October 15.

The CHAIRMAN. Have you assembled them since you got the subpoena?

Mr. CRONIN. No, sir, I have not.

The CHAIRMAN. What is today?

Mr. KENNEDY. It is December 2.

The CHAIRMAN. The Chair will direct you to deliver the records on December 5. You can get them together and if you cannot deliver all of them at that time you may confer with counsel or the investigator and there will be no disposition on the part of the committee to work any undue hardship on you and we only want compliance.

Mr. COHEN. Is that delivery here in Washington?

The CHAIRMAN. You may deliver them to our investigator.

Mr. KENNEDY. We want to make sure they are all intact.

The CHAIRMAN. Now, I just said that you could deliver them on the 5th. That is Friday. I will give you until next Monday at noon and that is the 8th of December. Your records are to be delivered here to the committee in room 101, Senate Office Building.

Proceed.

Mr. KENNEDY. Now, Mr. Cronin, have you had any other financial interest or source of income other than your union income, or money you receive from the union?

Mr. CRONIN. I have investments in bonds.

Mr. KENNEDY. Have you had investments in any companies which have contracts with the Sheet Metal Workers Union?

Mr. CRONIN. I don't have; no.

Mr. KENNEDY. Have you had in the past?

Mr. CRONIN. Some years ago I owned a fitting company.

Mr. KENNEDY. What was the name of that company?

Mr. CRONIN. Acme Furnace Fitting Co.

Mr. KENNEDY. And when did you sell your interest in that?

Mr. CRONIN. Well, shortly after I became an official of the union and we incorporated the company and I kept some stock in it.

Mr. KENNEDY. When did you get rid of your interest?

Mr. CRONIN. I think about 3 or 4 years ago.

Mr. KENNEDY. In 1955?

Mr. CRONIN. 1954 and 1955.

Mr. KENNEDY. How much of the stock did you own, what percentage?

Mr. CRONIN. Well, at one time when I had the company, I owned the entire company.

Mr. KENNEDY. How much did you own at the time you sold it?

Mr. CRONIN. Well, I think I received for the investment around 50—I'm not sure. I can't be too sure.

Mr. KENNEDY. It was around \$50,000?

Mr. CRONIN. It could be; yes.

Mr. KENNEDY. To whom did you sell this company?

Mr. CRONIN. To George Sullivan.

Mr. KENNEDY. Who is George Sullivan?

Mr. CRONIN. Well, he is the owner, the present owner of the Acme Furnace Fitting Co. He was a stockholder of Acme at the time.

The CHAIRMAN. I would like to inquire if this Acme Furnace Co. was the company that was in competition with the Coleman Co.

Mr. CRONIN. No, Senator, it wasn't.

The CHAIRMAN. Was it in competition with other sheet metal producers or workers?

Mr. CRONIN. I think there are other companies.

The CHAIRMAN. Was it in competition with other companies you had a labor contract with?

Mr. CRONIN. There are other companies in that area manufacturing furnace fittings.

The CHAIRMAN. With whom your union had a bargaining contract?

Mr. CRONIN. I think one of them was, and some were nonunion and some were union.

Mr. KENNEDY. Did you suggest to any contractors that they give business to your company?

Mr. CRONIN. Absolutely not.

The CHAIRMAN. Did you instruct any of the business agents of the local to suggest to contractors that they give business to your company?

Mr. CRONIN. No, sir.

The CHAIRMAN. You never did?

Mr. CRONIN. No, sir.

The CHAIRMAN. You never had any conversations along those lines?

Mr. CRONIN. No, sir.

The CHAIRMAN. What was the Acme Co. producing?

Mr. CRONIN. Warm-air furnace fittings.

The CHAIRMAN. What volume of business did it do each year?

Mr. CRONIN. I would say, it is pretty hard for me to remember and I would say it was about half a million dollars worth of business a year.

The CHAIRMAN. How many employees did you have?

Mr. CRONIN. Well, when I got rid of the company—I think there were only seven or eight employees, that is when we formed the corporation, or when the corporation was formed.

The CHAIRMAN. When was the corporation formed?

Mr. CRONIN. Well, it had to be in the forties sometime and I'm not sure of the exact date.

The CHAIRMAN. When you sold your interest in this company in 1954, how many employees did it have?

Mr. CRONIN. Well, I had no interest in the company and so I couldn't tell you.

The CHAIRMAN. You had an interest in 1954?

Mr. CRONIN. I had a financial interest, but a personal interest, none.

The CHAIRMAN. You had a financial interest?

Mr. CRONIN. I wasn't interested in how many they employed.

The CHAIRMAN. How many employees, approximately, did this company have in which you were able to sell your interest for \$50,000 and which was the company that you formed?

Mr. CRONIN. I suppose it might have been 25.

The CHAIRMAN. Were they all members of the Sheet Metal Workers Union?

Mr. CRONIN. The sheet-metal workers were.

The CHAIRMAN. How many of them were sheet-metal workers?

Mr. CRONIN. About, I would say 15 to 18.

The CHAIRMAN. With whom did the Acme Furnace Co. sign a contract covering the sheet-metal workers?

Mr. CRONIN. They have had a signed contract, or they have had a label for, I would say, 28 years.

The CHAIRMAN. Was this contract with local 73?

Mr. CRONIN. Yes.

The CHAIRMAN. This was the union of which you were president?

Mr. CRONIN. Understand, it was not a signed contract. They signed an agreement to use the union label, which label is always under the ownership of the local union, or the international union.

The CHAIRMAN. Are we to understand from that testimony that sometimes a label is sold to a business, or transferred to a business without their people being organized?

Mr. CRONIN. No, the label is never sold.

The CHAIRMAN. How do you handle it?

Mr. CRONIN. Well, if a company—

The CHAIRMAN. You just farm it out for some purpose?

Mr. CRONIN. No, it is not farmed out.

The CHAIRMAN. Tell us how that is handled. I thought a labor union clearly indicated the goods were produced by union labor, is that correct?

Mr. CRONIN. That's right.

The CHAIRMAN. Although as I understand now, you can have the use of a union label notwithstanding that there is not a working contract between management and the union.

Mr. CRONIN. That isn't so.

The CHAIRMAN. Well, I thought you said that they had no contract.

Mr. CRONIN. In the Chicago area we sign a contract with our associations, and if for instance, a person were in business in that area and he didn't sign an individual agreement, as many of our contractors do not, who don't belong to the associations, they are permitted and are accepted as union companies and we give it to them. That is they hire men, or they use union sheet-metal workers.

The CHAIRMAN. I still do not understand it. Your company had no written contract dealing with labor as to working conditions and wages, is that correct? Your company, Acme Furnace Co., had no written contract with your union with respect to working conditions, hours, wages, and so forth.

Mr. CRONIN. Well, they would be governed by the written agreement that is signed by the three associations.

The CHAIRMAN. I am asking whether they had a written contract.

Mr. CRONIN. Not to my knowledge, they never had a written contract.

The CHAIRMAN. I don't quite understand it.

Proceed.

Mr. KENNEDY. As I understand it, you were members of the association?

Mr. CRONIN. Sir?

Mr. KENNEDY. This company was a member of the association, is that right?

Mr. CRONIN. I think some years ago it was, but I don't think it is now.

Mr. KENNEDY. At the time that you had your interest in it, was it a member of the association?

Mr. CRONIN. I can't recall that.

Mr. KENNEDY. How could it have any of your people or how could it have the union label if they were not members of the association and they did not sign a contract?

Mr. CRONIN. At that time, Mr. Kennedy, each contractor was not required to sign an individual agreement. There has been an area agreement in the Chicago area for many, many years.

Mr. KENNEDY. Who was encompassed in the area agreement?

Mr. CRONIN. The ventilating contractors, air conditioning alliance, and the general sheet-metal contractors.

Mr. KENNEDY. What if you did not want to be covered.

Mr. CRONIN. It would be perfectly all right. They are not forced to belong.

Mr. KENNEDY. How was it determined who would be covered and who would not be covered?

Mr. CRONIN. Well, if a man wanted to hire a union sheet-metal worker and we agreed to give them union sheet-metal workers, it was not necessary for him to belong to any association.

Mr. KENNEDY. You mean he just came to you and the union in order to get the employees?

Mr. CRONIN. He came to the union.

Mr. KENNEDY. And if he came to the union to get the employees, he was covered by the agreement?

Mr. CRONIN. That is right.

Mr. KENNEDY. And then he would have to live up to this agreement if he came to the union?

Mr. CRONIN. As written in the regular standard form of agreement, that the associations signed.

Mr. KENNEDY. If he did not come to you, then that meant that he was not covered by the agreement?

Mr. CRONIN. That is right.

Mr. KENNEDY. Could he come to you for some people and not others? It had to be all or none?

Mr. CRONIN. All or none.

Mr. KENNEDY. If he came to you, he could use the union label?

Mr. CRONIN. Well, if he came to me or came to the union and agreed with the union that he would hire union men, and that he wanted to manufacture fittings and pay the scale of wages, then we would request from the international permission to give him a union label and that, I believe, was done in the case of Acme.

Mr. KENNEDY. Did you have an interest in any other company during that period of time?

Mr. CRONIN. No.

Mr. KENNEDY. Did you have an interest in the Sunbeam Air Conditioning?

Mr. CRONIN. I acquired some stock in the Sunbeam.

Mr. KENNEDY. What did the Sunbeam Air Conditioning Co. do?

Mr. CRONIN. They installed furnaces in the Chicago area.

Mr. KENNEDY. When did you sell that stock?

Mr. CRONIN. Well, that was included in the Acme deal. Sullivan owned both companies.

Mr. KENNEDY. And you also had an interest in the Sunbeam?

Mr. CRONIN. Yes, sir.

Mr. KENNEDY. And you sold this stock to him?

Mr. CRONIN. That is right.

Mr. KENNEDY. Is that part of the \$50,000?

Mr. CRONIN. That's right.

Mr. KENNEDY. How many employees did that company have?

Mr. CRONIN. I couldn't tell you.

Mr. KENNEDY. Well, approximately, how many employees did it have?

Mr. CRONIN. They varied. In the building trades, they are up and down, and I would say, steady employees, they might have had 30 or 35.

Mr. KENNEDY. How many of those were sheet-metal workers?

Mr. CRONIN. All of the sheet-metal workers, but not the office force.

Mr. KENNEDY. But out of the 30 or 35, they were all sheet-metal workers.

Mr. CRONIN. Anyone who performed sheet-metal work.

Mr. KENNEDY. How long had you owned that stock?

Mr. CRONIN. I don't think it was more than a couple of years.

Mr. KENNEDY. From whom did you purchase it?

Mr. CRONIN. From George Sullivan.

Mr. KENNEDY. You purchased it and sold it back to him?

Mr. CRONIN. That's right.

Mr. KENNEDY. How much did you purchase it for?

Mr. CRONIN. I would have to go to my records.

Mr. KENNEDY. That is why we wanted to get your records.

Mr. CRONIN. I can find that out, and I will be glad to.

Mr. KENNEDY. Approximately how much did you pay for the stock?

Mr. CRONIN. I can tell you this: I didn't make any money on the transactions.

Mr. KENNEDY. How much did you pay for it?

Mr. CRONIN. I couldn't tell you without going to my records.

Mr. KENNEDY. Do you have a bank account, Mr. Cronin?

Mr. CRONIN. Yes, sir.

Mr. KENNEDY. Where is your bank account?

Mr. CRONIN. At the River Forest State Bank, and we have a savings account.

Mr. KENNEDY. Do you have any other bank account?

Mr. CRONIN. I have a checking account in the Merchants National Bank.

Mr. KENNEDY. Do you deposit all of your money in those bank accounts?

Mr. CRONIN. Yes; and we have a savings account in the Ashland State Bank, in Chicago, and a savings account in the St. Paul Federal Savings & Loan.

Mr. KENNEDY. Do you keep any cash other than that?

Mr. CRONIN. Oh, some. I keep some cash available.

Mr. KENNEDY. How much money do you keep available?

Mr. CRONIN. Around a couple of thousand dollars.

Mr. KENNEDY. In cash?

Mr. CRONIN. Yes, sir.

Mr. KENNEDY. Where do you keep that?

Mr. CRONIN. Usually on my person or in my home.

Mr. KENNEDY. You carry a couple of thousand dollars in cash around on your person?

Mr. CRONIN. Oh, no. If I am going on a trip to Florida, maybe I would, but it is not customary for me to carry that much.

Mr. KENNEDY. Do you keep it at home if you do not have it on your person?

Mr. CRONIN. Yes, sometimes, mostly, yes; and it isn't always that amount.

Mr. KENNEDY. Is it ever more than that?

Mr. CRONIN. Not too much.

Mr. KENNEDY. You transact business much in cash?

Mr. CRONIN. No; mostly by check.

Mr. KENNEDY. Do you have a box at home that you keep it in?

Mr. CRONIN. At home?

Mr. KENNEDY. Yes.

(Witness conferred with his counsel.)

Mr. KENNEDY. Do you have a box at home that you keep it in?

Mr. CRONIN. No.

Mr. KENNEDY. Do you have a safe deposit box of your own?

Mr. CRONIN. Yes.

Mr. KENNEDY. Where is that?

Mr. CRONIN. River Forest Bank.

Mr. KENNEDY. Is that the only safe deposit box you have?

Mr. CRONIN. It is the only one I have.

Mr. KENNEDY. I asked you this morning whether you received any money from any other contractors or employers. Have you received any other money?

Mr. CRONIN. Sir?

Mr. KENNEDY. Have you received any other money?

Mr. CRONIN. No.

Mr. KENNEDY. Do you exact any kind of payment from any contractor that is going to use sheet-metal workers?

Mr. CRONIN. No.

Mr. KENNEDY. Have you ever gone to any of them and said that they would have to pay you a sum of money in order to go into business?

Mr. CRONIN. No; I have not.

Mr. KENNEDY. Have you ever collected \$300 or \$400 in cash from any contractor?

Mr. CRONIN. I have never collected \$300 or \$400 in cash.

Mr. KENNEDY. For any purpose whatever?

Mr. CRONIN. For any purpose, not to my knowledge.

Mr. KENNEDY. All the money that is paid by any contractor is paid by check; you would only accept money by check?

Mr. CRONIN. I wouldn't know what you are talking about, Mr. Kennedy. What do you mean?

Mr. KENNEDY. Tell me the payments that a contractor would have to pay in order to, for instance, start a business.

Mr. CRONIN. None, to my knowledge.

Mr. KENNEDY. He wouldn't have to pay anything?

Mr. CRONIN. No.

Mr. KENNEDY. Would he have to pay any union dues?

Mr. CRONIN. Well, if a shop was organized, and there were men in it that wanted to go into the union, yes, he would have to pay the equivalent of 100 working hours, and that would be that man's initiation fee. For instance, if there were two or three men in that shop when a shop was organized, and those men went into the union, they would have to pay 100 working hours.

Mr. KENNEDY. How much would that be?

Mr. CRONIN. Well, it varied, of course, as the wages go up throughout the years. It went, as far as I remember in the 1940's, from, say, maybe \$200, to now it would be around \$375.

Mr. KENNEDY. Per person?

Mr. CRONIN. Per person.

Mr. KENNEDY. \$375? Who would pay that?

Mr. CRONIN. The man himself who wanted to join the union.

Mr. KENNEDY. So that wouldn't be money that would be paid by the contractor?

Mr. CRONIN. Right into the union; yes.

Mr. KENNEDY. That would not be money paid by the contractor? That would be paid by the employee?

Mr. CRONIN. That is right, paid by the employee.

Mr. KENNEDY. \$375?

Mr. CRONIN. That is the wages now, \$3.75 an hour.

Mr. KENNEDY. Do you mean an employee would have to pay \$375 as initiation fee in order to belong to the Sheet Metal Workers Union?

Mr. CRONIN. Yes.

Mr. KENNEDY. Why is that such a high figure?

Mr. CRONIN. Well, I think if you will check you would find that is customary in most building trades unions.

Mr. KENNEDY. That they have to pay that much money in order to belong to the union?

Mr. CRONIN. One hundred working hours.

Mr. KENNEDY. What happens to that money?

Mr. CRONIN. It goes into the union treasury.

The CHAIRMAN. What other unions can you name that have that yardstick for initiation fees?

Mr. CRONIN. Well, I wouldn't be authorized to name any of them, Senator. I just don't know.

The CHAIRMAN. It is not a question of being authorized. It is a question of your having knowledge of that. You have made a general statement that that is customary.

Mr. CRONIN. I think in some of the other building trades in Chicago—I know in some of the other building trades. Now, I don't know just which ones. But it is a common practice. It has been in effect for many, many years. You ask me to name specific unions. I just can't tell you.

The CHAIRMAN. All right. Proceed.

Mr. KENNEDY. Where does that money go?

Mr. CRONIN. To the union treasury.

Mr. KENNEDY. Do you ever request that that money be paid in the form of cash rather than check?

Mr. CRONIN. No; we don't care how it is paid.

Mr. KENNEDY. You don't care how it is paid?

Mr. CRONIN. That is right.

Mr. KENNEDY. It all goes into the union treasury?

Mr. CRONIN. That is right.

Mr. KENNEDY. Have you ever stated to any employer that in order to start up a business he would have to make a payment to you of \$300 or \$400?

Mr. CRONIN. No, sir.

Mr. KENNEDY. Do you know if that has ever been done by any of your business agents?

Mr. CRONIN. I don't know that it has ever been done.

Mr. KENNEDY. Do you know a Mr. Warren Tapper?

Mr. CRONIN. I know of him. I don't know him personally. I have met the man.

Mr. KENNEDY. You have met him?

Mr. CRONIN. Yes.

Mr. KENNEDY. What conversations did you have with him?

Mr. CRONIN. Practically none.

Mr. KENNEDY. Did you ever receive any money from him?

Mr. CRONIN. Never.

Mr. KENNEDY. He never paid you any money?

Mr. CRONIN. Never in his life.

Mr. KENNEDY. Did Mr. Tapper ever come to your home?

Mr. CRONIN. Who?

Mr. KENNEDY. Did Mr. Tapper ever come to your home?

Mr. CRONIN. Never.

Mr. KENNEDY. He never paid you \$250 in cash?

Mr. CRONIN. Absolutely not.

Mr. KENNEDY. Did you tell him that you wanted \$500 in cash, for him to open up a business, and he then paid you \$250 in cash?

Mr. CRONIN. No, sir.

Mr. KENNEDY. Do you know a Wilbur Jolicoeur?

Mr. CRONIN. Well, I know the firm, the Jolicoeur firm. I don't think I know them personally. I mean the Jolicoeur Bros. I think there are two brothers who own the firm.

Mr. KENNEDY. Did you ever receive any money from him?

Mr. CRONIN. No, sir.

Mr. KENNEDY. Did you ever discuss receiving money from him?

Mr. CRONIN. Never.

Mr. KENNEDY. Did you ever state to him that it would be necessary for him to pay \$300 in cash for him to go into the sheet-metal working business in Chicago?

Mr. CRONIN. I did not.

Mr. KENNEDY. Do you know Mr. Harold Erck?

Mr. CRONIN. I do.

Mr. KENNEDY. Did you ever receive any money from him?

Mr. CRONIN. No, sir.

Mr. KENNEDY. Did you ever request any money from him?

Mr. CRONIN. No, sir.

Mr. KENNEDY. Did you tell him that he would have to make a payment of \$300 in cash in order to open up a union shop?

Mr. CRONIN. No, sir.

Mr. KENNEDY. Did he then come down to the union hall and give you an envelope with \$300 in cash?

Mr. CRONIN. I don't remember him ever coming to the union hall.

Mr. KENNEDY. Did he ever give you \$300 in cash?

Mr. CRONIN. Never.

Mr. KENNEDY. Did you ever meet him at the union headquarters?

Mr. CRONIN. Not to my knowledge. As far as my memory serves, he has never been inside the union hall. He could have been, but I didn't see him.

Mr. KENNEDY. You deny that you received the \$300 from him?

Mr. CRONIN. I do.

Mr. KENNEDY. Do you know a Mr. Crowe?

Mr. CRONIN. I don't know any Crowe.

Mr. KENNEDY. Did you receive \$500 from Mr. Crowe for Mr. Crowe to go into business?

Mr. CRONIN. I don't know Mr. Crowe, Mr. Kennedy.

The CHAIRMAN. The question was did you receive the money from him.

Mr. CRONIN. No.

Mr. KENNEDY. Did you ever tell any of these contractors that I have mentioned or any other contractor, that they should not bid on certain contracts in the Chicago area?

Mr. CRONIN. No.

Mr. KENNEDY. Did you ever tell them how much they should bid on certain contracts?

Mr. CRONIN. No.

Mr. KENNEDY. You never did?

Mr. CRONIN. No.

Mr. KENNEDY. You never called them and told them any particular contract belonged to another contractor and that they shouldn't bid?

Mr. CRONIN. No; I didn't.

The CHAIRMAN. All right, Mr. Cronin, you may stand aside for the present.

Mr. COHEN. Senator McClellan, before we adjourned at noon, I requested—I know you want to be fair to Mr. Cronin—I requested that he be permitted to explain exhibits 10A and 10B. I believe you started with him on that.

The CHAIRMAN. You are correct. The witness has an opportunity to make any comment about those exhibits that he desires.

Mr. COHEN. Thank you.

Mr. CRONIN. Senator, with regard to the letter of July 2, 1953, wherein I say, in addressing this letter to Burrows, I would like to have you know that I am almost positive, without going to my records, that the contract signed with the Coleman Co. could have been signed or was signed prior to that. I want you to know that when I refer to this cooperation and the agreement, I definitely refer to an international agreement. I don't refer to any arrangement other than that.

The CHAIRMAN. What international agreement?

Mr. CRONIN. Made with the international union.

The CHAIRMAN. Made by whom?

Mr. CRONIN. By our international office.

The CHAIRMAN. With whom?

Mr. CRONIN. I imagine with the international organizer who was in that district at the time.

The CHAIRMAN. There has to be another party to an agreement besides the union.

Mr. CRONIN. With the Coleman Co.

The CHAIRMAN. That is what I am trying to determine. You say an agreement was made with the Coleman Co.?

Mr. CRONIN. I would like the opportunity of checking. I am almost sure that is so. I am positive that is what I refer to in this

letter of July 2, where it might be of mutual benefit. I meant by that I was glad to see them sign an agreement and run a union shop.

Mr. KENNEDY. We have checked, Mr. Cronin, and there was never any agreement between the Sheet Metal Workers and the Coleman Co. There was not only no agreement at that time, but there was never any agreement.

Mr. CRONIN. May I say that you may be right, but if it wasn't with the Coleman Co., then it was with a subsidiary of the Coleman Co.

Mr. KENNEDY. No.

Mr. CRONIN. I would like to check that.

Mr. KENNEDY. What was the name of the company it was with?

Mr. CRONIN. I don't know.

The CHAIRMAN. You will be back here Monday. If you have any evidence you may present it. According to the witness Burrows, there was no agreement signed by him on this company.

Mr. CRONIN. I am positive there was an agreement, Senator.

The CHAIRMAN. According to his testimony, it was all a verbal understanding between you and him.

Mr. CRONIN. No, I am positive there was a written agreement between our international union and either the Coleman co. or a subsidiary of the Coleman Co. that manufactured fittings.

The CHAIRMAN. All right. You will have until next Monday to review it and see if you can find it.

Mr. KENNEDY. We have discussed the fact that they had a contract with the Sterling Co. that was signed in January of 1953.

Mr. CRONIN. That is what I refer to.

Mr. KENNEDY. That is not with the Coleman Co. That has already gone into the record. We discussed that this morning, that at your suggestion, in order to alleviate the problem—

Mr. CRONIN. That is exactly the contract I have reference to.

Mr. KENNEDY. That is not what the letter would seem to indicate.

Mr. CRONIN. As I told you, Mr. Kennedy, I didn't arrange the agreement. I did recommend it. I thought it was a good idea. I wouldn't know whether they had a separate company or whether it was signed with Coleman. I didn't know. But I do know that that company makes the fittings that Coleman uses where they install their furnaces.

The CHAIRMAN. You may be excused, but remain here to be available.

Mr. COHEN. If Mr. Cronin has to return Monday, we are wondering when he can return to Chicago.

The CHAIRMAN. We will try to let him off sometime this afternoon. There is some other testimony. I try to be fair to witnesses where we are going to have derogatory testimony to give them an opportunity to hear it firsthand, because there may be further interrogation about it. You remain for the present, and we will determine this afternoon as to when we will need you again.

Mr. COHEN. Thank you.

The CHAIRMAN. Mr. Tapper.

Be sworn, please. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. TAPPER. I do.

TESTIMONY OF WARREN A. TAPPER

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. TAPPER. Warren A. Tapper, Arlington Heights, Ill. I am the president of Tapper's Central Heating Co. in Des Plaines, Ill.

The CHAIRMAN. You waive counsel, do you, Mr. Tapper?

Mr. TAPPER. I do, sir.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. You are president and owner of Tapper's Central Heating Co.?

Mr. TAPPER. That is right, sir.

Mr. KENNEDY. It is located in Des Plaines, Ill.?

Mr. TAPPER. Des Plaines, Ill.

Mr. KENNEDY. How far is that from Chicago?

Mr. TAPPER. About 22 miles.

Mr. KENNEDY. How many employees do you have?

Mr. TAPPER. At the present time, 10.

Mr. KENNEDY. When did you start your business?

Mr. TAPPER. 1947.

Mr. KENNEDY. At the time that you started your business, did you have any conversations with any official of the Sheet Metal Workers Union?

Mr. TAPPER. I was running nonunion when I started the business, and I bought out a union shop in Chicago and moved it to Des Plaines in January of 1958.

Mr. KENNEDY. In January 1958?

Mr. TAPPER. That is right, sir.

Mr. KENNEDY. Prior to that you had been in Chicago?

Mr. TAPPER. No, prior to that I operated nonunion.

Mr. KENNEDY. In 1948, are you talking about?

Mr. TAPPER. 1948 is when I bought out a union shop in Chicago and moved it to Des Plaines.

Mr. KENNEDY. So then you were operating nonunion in 1948?

Mr. TAPPER. 1947.

Mr. KENNEDY. 1947. All right.

Will you tell us whether you had any conversations then with any union official of the Sheet Metal Workers Union?

Mr. TAPPER. Well, in the fall of 1947, about September, Mr. Cronin called me and asked me if I was doing some heating work on new buildings in Des Plaines, which I said I was. He told me I wasn't allowed to do that, that that was his work.

I said, "Well, I have the contract."

"Well, that belongs to union men, and you are nonunion."

So I said, "Well, as long as I have the contract, I consider it my work, and according to the Taft-Hartley Act I could run nonunion men."

He stated, "Well, we don't believe in the Taft-Hartley Act." He asked me how many homes I had to complete. I said there were approximately 10. He said, "Do you intend to finish those 10?"

I said, "Yes, I intend to finish them."

He said, "Well, I will make a deal with you. If you will promise not to start any more new work until you meet with me, I won't give you any trouble, and I will allow you to finish those 10 homes."

I said, "That is a good deal with me. I will abide by that decision."

Mr. KENNEDY. So you finished the homes?

Mr. TAPPER. I finished the 10 homes. It was after that that I bought out the union shop.

Mr. KENNEDY. What was the name of the shop?

Mr. TAPPER. Crow Sheet Metal.

Mr. KENNEDY. Crow Sheet Metal Co.?

Mr. TAPPER. That is right.

Mr. KENNEDY. What was Mr. Crow's first name? Do you have that?

Mr. TAPPER. I can't recall at the moment.

Mr. KENNEDY. Did Mr. Crow relate anything to you regarding the operations?

Mr. TAPPER. Well, he told me that we were all set, that we wouldn't have any further trouble as he had paid Mr. Cronin \$500 for the privilege of operating. So he said, "You will not have to pay any more money."

Mr. KENNEDY. Did you have any difficulty after that?

Mr. TAPPER. Twice Mr. Crow was called down to union headquarters and sat on the bench all day without anything coming of it. Finally he met with Mr. Cronin and Mr. Cronin informed him there would be another payment due or he would have to get out of my shop, that he couldn't stay there.

Mr. KENNEDY. How much more money was needed?

Mr. TAPPER. An additional \$500.

Mr. KENNEDY. Did he come back and relate this to you?

Mr. TAPPER. Mr. Crow related to me that he argued against that with Mr. Cronin, stating he had carried a card for a good many years, and he didn't see why an additional \$500 was necessary.

So the question was dropped at that point, and approximately 3 to 4 weeks later Mr. Crow was killed in an automobile accident on the way to work. The day after the funeral they were back in my shop looking for money.

The CHAIRMAN. Under what circumstances was he killed?

Mr. TAPPER. In an automobile accident.

The CHAIRMAN. I understand, but was there anything to indicate that it was more than just an accident?

Mr. TAPPER. No, sir; it was strictly an accident. He collided with a gasoline truck at an intersection.

The CHAIRMAN. I think the record should be clear on that.

Mr. KENNEDY. You didn't pay that \$500?

Mr. TAPPER. No, sir.

Mr. KENNEDY. Then what happened?

Mr. TAPPER. The day after the funeral Mr. Troutman——

Mr. KENNEDY. T-r-o-u-t-m-a-n?

Mr. TAPPER. Right, sir.

Mr. KENNEDY. Shannon Troutman of local 73?

Mr. TAPPER. Yes, sir.

Mr. KENNEDY. He came to visit you?

Mr. TAPPER. He came in to visit me, and he——

Mr. KENNEDY. He is the business agent?

Mr. TAPPER. He is the business agent. He seen the size of the building we then had under construction for the new operation, and he said

it would cost me \$500 to get straightened up. He suggested that I call Mr. Cronin and meet with him.

Mr. KENNEDY. So what happened after that? Did you agree to pay the \$500?

Mr. TAPPER. In the meantime I was contacted by the Pipefitters Union, and a member of the Contractors Association, advising me not to pay any money, that there was an investigation on and I would only be getting myself in the middle if I met with Mr. Cronin and paid any money.

I called Mr. Cronin and agreed to meet with him. He suggested I meet at his home, where I went the following morning.

Mr. KENNEDY. Who was the contractor that called you?

Mr. TAPPER. Mr. J. Boslough.

Mr. KENNEDY. B-o-s-l-o-u-g-h?

Mr. TAPPER. That is right.

Mr. KENNEDY. Of the Boslough Heating Co.?

Mr. TAPPER. That is right.

Mr. KENNEDY. And he suggested not to make the payment?

Mr. TAPPER. He told me there was an investigation on and that the Pipefitters would give the men union cards if the Sheet Metal Workers took the union cards away from my men, and they would continue to work, and they would continue to work, and that he wanted a show-down on it.

I decided they were trying to make a guinea pig out of me, and I didn't want any part of it. So I called Mr. Cronin and made an appointment to meet with him at his home. When I met there, I told him I was not going to give him any money. I told him what I had heard, about the investigation that I understood was underway, and I didn't want to become involved in it.

He said, "Under the circumstances, I won't take any money from you now." He said, "What do you want to do?"

I suggested everything stay as is for approximately 60 days. At the end of 60 days Mr. Troutman was back in my office, hollering and yelling that I had no business operating, and what business did I have going in business without checking with them. He said, "Call Harry Cronin."

I called Harry Cronin at his office and made an appointment to meet with him at his home the following morning, at which time I laid \$250 in cash on his breakfast table.

Mr. KENNEDY. This was in August of 1949, was it?

Mr. TAPPER. August of 1949; yes, sir.

Mr. KENNEDY. Was there any discussion of how much you were to pay, whether it was to be \$500?

Mr. TAPPER. He picked it up and counted it and said, "Where is the rest of it?"

I said, "Well, you promised me that I could get in for less money."

He said, "When was that?"

I said, "When we were discussing the money before I asked you to give me a break and you said you would look into it."

That was the extent of our conversation.

Mr. KENNEDY. What was the money for?

Mr. TAPPER. For the privilege of operating and hiring union sheet-metal men.

Mr. KENNEDY. Did you know what the money was going to be used for; where it was going?

Mr. TAPPER. I was told the money was to be in cash and no records kept of it. I had no idea what he was going to do with it.

Mr. KENNEDY. He said he wanted it in cash, though?

Mr. TAPPER. That is right.

Mr. KENNEDY. First, did you understand this was a general practice followed by all the contractors in the Chicago area?

Mr. TAPPER. As far as I know, nobody can open up a sheet-metal shop and hire union men without first paying off.

Mr. KENNEDY. And the payoff amounts to what—\$300 or \$400?

Mr. TAPPER. What the traffic will bear, depending on the size of the shop.

Mr. KENNEDY. But is it generally accepted in the Chicago area that this payment has to be made?

Mr. TAPPER. Yes; it is generally accepted by everybody in the business that it is a necessary payment.

Mr. KENNEDY. Did you ever have any trouble with the Sheet Metal Workers Union after that?

Mr. TAPPER. No, except occasionally complaining because there wasn't union labels on pipefittings in the shop.

Mr. KENNEDY. Did you have all union employees thereafter?

Mr. TAPPER. I had all union sheet-metal men.

Mr. KENNEDY. Did they ever come around and check that at all?

Mr. TAPPER. At various times they checked the sheet-metal men.

Mr. KENNEDY. Have you ever heard of the Acme Co. that we were also discussing?

Mr. TAPPER. Yes; I have.

Mr. KENNEDY. The Acme Furnace Co. that Mr. Cronin had an interest in.

How did you hear about the Acme Co.?

Mr. TAPPER. Well, their salesmen called on me from time to time and let us know it would be a good thing for us to buy their products; but I never bought any of their products.

Mr. KENNEDY. What basis did they give you as it being a good thing for you?

Mr. TAPPER. Well, that it was owned by Mr. Cronin and as long as we bought their products we would be on the good side.

Mr. KENNEDY. Did you ever discuss this matter with any union official?

Mr. TAPPER. Well, there was discussions of various business agents from time to time about the union label on pipe and fittings and gutters.

Mr. KENNEDY. Was it ever suggested by any union official that you purchase your goods from Acme?

Mr. TAPPER. I was told that there had to be a union label on there. When I objected and made a remark about I didn't want to buy from Acme, I was told, "You don't have to buy from Acme. Make it yourself, as long as it is made by union help."

Mr. KENNEDY. Did they indicate that Acme was the only one that sold it at that time that was union?

Mr. TAPPER. Acme was the only shop in the Chicago area with the union label.

Mr. KENNEDY. So if you had the union label, you had to get it from Acme?

Mr. TAPPER. That is right, sir.

Mr. KENNEDY. You have heard the testimony of Mr. Cronin here this afternoon?

Mr. TAPPER. I did, sir.

Mr. KENNEDY. He stated that you never came to his home.

Mr. TAPPER. Yes, sir.

Mr. KENNEDY. Is that correct?

Mr. TAPPER. No, sir; it is not.

Mr. KENNEDY. You went to his home?

Mr. TAPPER. On two occasions.

Mr. KENNEDY. On two different occasions?

Mr. TAPPER. Yes, sir.

Mr. KENNEDY. He stated he never received any money from you. Is that correct?

Mr. TAPPER. No, sir; it is not correct.

Mr. KENNEDY. You paid him money?

Mr. TAPPER. I paid him money at his home.

Mr. KENNEDY. \$250?

Mr. TAPPER. Yes, sir.

Mr. KENNEDY. And he had requested on several occasions that you pay him \$500?

Mr. TAPPER. Yes, sir.

Mr. KENNEDY. And he denied that also under oath before this committee?

Mr. TAPPER. Yes, sir.

Mr. KENNEDY. But you say your testimony is correct?

Mr. TAPPER. My testimony is correct; yes, sir.

The CHAIRMAN. As I understand this, what it actually amounted to was a payoff to a labor union local president and who is also a vice president of the international, to grant you the privilege of staying in business and employing workers who were members of the union.

Mr. TAPPER. Yes, sir; that is correct.

The CHAIRMAN. In other words, you couldn't employ union labor even if you wanted to until you made this payoff?

Mr. TAPPER. That is right, sir.

The CHAIRMAN. You had to pay off the high mogul of the operation in cash in order to get a little cooperation in getting union labor so you could put a union label on your products?

Mr. TAPPER. Well, it wasn't a union label we put on. It was a matter of hiring union men. The union label is a figure of speech, really.

The CHAIRMAN. It was actually a figure of speech?

Mr. TAPPER. Yes, sir.

The CHAIRMAN. But before you could employ union labor, you had to pay off the labor boss?

Mr. TAPPER. Yes, sir.

The CHAIRMAN. That is what is amounted to?

Mr. TAPPER. Yes, sir; that is it.

The CHAIRMAN. And I believe you said someone else—Mr. Crow, was it—

Mr. TAPPER. Mr. Crow was the gentleman I bought out.

The CHAIRMAN. And he had paid off to the extent of \$500?

Mr. TAPPER. Yes, sir; that is correct.

The CHAIRMAN. That was before you bought him out?

Mr. TAPPER. That is right, sir.

The CHAIRMAN. And at the time you bought him out, you understood that was to take care of it?

Mr. TAPPER. Yes, sir; that is right.

The CHAIRMAN. But that failed to take care of it?

Mr. TAPPER. That is right.

The CHAIRMAN. Thereafter, demands were made on you to which you responded?

Mr. TAPPER. Yes, sir.

Mr. KENNEDY. You said there was another business agent that also had these conversations with you, and that was Mr. Troutman, I believe?

Mr. TAPPER. That is right, sir.

Mr. KENNEDY. There is no question in your mind about the identity of Mr. Troutman?

Mr. TAPPER. No, sir; I know him very well.

The CHAIRMAN. Mr. Troutman, come forward, please.

Mr. Witness, Mr. Tapper—that is all right, Mr. Troutman; you can stand where you are.

Mr. Tapper, will you look at the gentleman standing immediately behind you and state if you know him?

Mr. TAPPER. Yes, sir; that is Mr. Troutman.

The CHAIRMAN. That is the man you have been talking about?

Mr. TAPPER. Yes, sir; that is.

The CHAIRMAN. Look at him again. You couldn't be mistaken in the identity?

Mr. TAPPER. No, sir. I have known him for 8 years.

The CHAIRMAN. Thank you very much.

Thank you, Mr. Troutman. You may be seated.

Mr. KENNEDY. That is the man that told you to go see Mr. Cronin and straighten yourself out with the payment of the money?

Mr. TAPPER. Yes, sir.

The CHAIRMAN. Thank you very much.

Mr. Tapper, you will remain under your present subpoena of this committee, subject to being recalled when the committee may desire further testimony from you after having given you reasonable notice of the time and place where your testimony will be desired.

Do you agree to that?

Mr. TAPPER. Yes, sir; I do.

The CHAIRMAN. That will be so as to avoid another subpoena. So you will remain under the jurisdiction of this committee. If you are molested in any way, any threats or intimidations, report it promptly.

Whoever commits such act, in my opinion, would be guilty of contempt of the U.S. Senate.

Thank you. Call the next witness.

Mr. KENNEDY. Mr. Erck. Harold Erck.

The CHAIRMAN. Be sworn, please, Mr. Erck.

You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. ERCK. I do.

TESTIMONY OF HAROLD ERCK

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. ERCK. Harold Erck, 338 South Highland Avenue, Lombard. My business is in Chicago. I am president of Air-way Heating & Ventilating Systems.

The CHAIRMAN. Do you waive counsel, Mr. Erck?

Mr. ERCK. I believe so. I am not familiar with this.

The CHAIRMAN. The rules of the committee provide that any witness may have counsel of his own choice present when he testifies in order to advise him with regard to his legal rights.

Mr. ERCK. I will waive counsel.

The CHAIRMAN. Thank you very much.

Proceed, Mr. Kennedy.

Mr. KENNEDY. How many employees do you have?

Mr. ERCK. Well, that varies. An average of 10 or 12.

Mr. KENNEDY. What kind of goods do you make?

Mr. ERCK. We are in the ventilating business.

Mr. KENNEDY. Are these employees members of the Sheet Metal Workers Union?

Mr. ERCK. They are all members of the Sheet Metal Workers Union.

Mr. KENNEDY. How long have you had this partnership in the Air-Way Heating & Ventilating System?

Mr. ERCK. We started in 1950, November.

Mr. KENNEDY. Were you organized at that time, when you started?

Mr. ERCK. That is when we did organize and go into business, 1950.

Mr. KENNEDY. Did you have a contract with the union, or were your employees members of the Sheet Metal Workers Union?

Mr. ERCK. All of our employees are members of local 73.

Mr. KENNEDY. Were they since 1950, when you began?

Mr. ERCK. Yes.

Mr. KENNEDY. How did that come about?

Mr. ERCK. Well, when we decided to go into business, or I did, rather—there was another fellow with me—we went over to the union hall to see the president. We knew we had to make some arrangements to get men.

Mr. KENNEDY. Who did you talk to there?

Mr. ERCK. Mr. Cronin.

And we told him that we wanted to go into business for ourselves. We had worked at this line for sometime, but not as an owner, of course.

He asked me if I thought it was good to go in business inasmuch as I had worked for one company for some 19-odd years and it would seem unfair that I should go in and maybe take away customers.

But I suggested he call my former employer, which he did, and evidently he must have told him there was no friction between the two of us, that it was perfectly all right with him if I went in business, he had no objection whatever. Mr. Cronin then agreed that it would be all right that I would go into business.

Then there was one suggestion made. I don't know if this is the exact words, that there was a fund. But anyhow, the sum and substance was that there was a collection for sheet-metal workers who

were sick or in hospitals or out of work, and he asked if I wanted to make a donation to this, and I agreed.

At no time was I told I must make this donation. I was asked.

Mr. KENNEDY. How was it agreed to as to the amount that you would give?

Mr. ERCK. Well, the amount was \$300 that I agreed to give.

Mr. KENNEDY. And did you give him a check?

Mr. ERCK. No; I gave him cash.

Mr. KENNEDY. Why did you give him cash?

Mr. ERCK. I was asked to give cash.

Mr. KENNEDY. If it was for old, sick sheet-metal workers, why didn't you just give a check?

Mr. ERCK. I was asked to give cash, and I gave cash.

Mr. KENNEDY. Did you think at the time you gave the cash that it was for sick sheet-metal workers?

Mr. ERCK. Well, I don't know. Eight years ago I may or may not have. But it was asked for in cash, so I gave it in cash.

The CHAIRMAN. You knew what that meant, didn't you?

Mr. ERCK. Well, maybe I am not supposed to know, but at least I gave it in cash.

The CHAIRMAN. I said you knew what that meant. That was to conceal the donation?

Mr. ERCK. Well, that might have been my personal suspicion, yes.

The CHAIRMAN. You had no other reason to think that it should be in cash and not in check?

Mr. ERCK. Well, probably not.

The CHAIRMAN. Did he give you the name of any old metal workers organization, charity?

Mr. ERCK. No.

The CHAIRMAN. I mean to identify exactly where the money was going?

Mr. ERCK. No. Of course, it was about 3 weeks before Christmas, and it could have been construed as such if you wanted to.

The CHAIRMAN. You would have to stretch the construing a little, would you not?

Mr. ERCK. Well, maybe.

The CHAIRMAN. Of course, you knew what it was, a payoff, so that you could go into business, didn't you?

Mr. ERCK. Well, you are telling me.

The CHAIRMAN. I am asking you.

Mr. ERCK. Well, I imagine it was.

The CHAIRMAN. That is what you regarded it as at the time; is that correct?

Mr. ERCK. I took it that way, yes.

The CHAIRMAN. All right.

Mr. KENNEDY. How did you make that payment?

Mr. ERCK. I went to the bank and drew \$300. I think I put it in an envelope. I don't remember exactly, but I think I put it in an envelope and took it over to the union hall.

The CHAIRMAN. That was the accepted method of delivering it, wasn't it, putting it in an envelope?

Mr. ERCK. I don't know. This is the first and only time I have done it, so I don't know whether it was the accepted method or not.

The CHAIRMAN. I think if the records here are correct, the evidence we have kind of bears that out.

Mr. ERCK. But that is what I did.

The CHAIRMAN. So that, based on the testimony you have heard here today, wasn't the only envelope that had been passed to Mr. Cronin?

Mr. ERCK. Well, I only heard one man testify just a few minutes ago.

The CHAIRMAN. You didn't hear the other?

Mr. ERCK. I didn't hear anything this morning. I wasn't up here.

The CHAIRMAN. Very well.

Mr. KENNEDY. You brought the envelope or brought the cash back and gave it to whom, then?

Mr. ERCK. Well, I was in Mr. Cronin's office, and I can't say for sure if I actually handed it to him or if I put it on the table. I don't remember the details. At the time I had no thought I would ever be refreshing my memory 8 years later about this, and I didn't pay special attention to every detail.

The CHAIRMAN. However you handled it, you handled it so you thought it went to Mr. Cronin?

Mr. ERCK. Definitely.

The CHAIRMAN. No one else was in on the deal except you and him?

Mr. ERCK. No, I don't think so, and I don't remember anyone else.

Mr. KENNEDY. It was done in the union headquarters in his office?

Mr. ERCK. I am sure it was.

Mr. KENNEDY. You didn't get any receipt for it?

Mr. ERCK. No, sir.

The CHAIRMAN. Did you deduct it as a charitable donation from your income tax?

Mr. ERCK. Well, actually it was only 2 months of the year before the end of the calendar year, and we had a loss anyhow because we had just started up in business, and it was shown as an expense.

The CHAIRMAN. Business expense?

Mr. ERCK. Business expense.

The CHAIRMAN. That was correct, was it?

Mr. ERCK. Yes, sir.

Mr. KENNEDY. Have you heard generally in the Chicago area that these payments have to be made in order to go into business?

Mr. ERCK. Well, I don't recall ever discussing it with anybody, and as I say, I don't know too many of my competitors. The people that I have known have been in business for years and years. I mean they were in business long, long before I went in business, and I don't know many of the people who have gone in business in the last 10 years.

Mr. KENNEDY. Did you hear of this, the fact that this kind of payment had to be made?

Mr. ERCK. Well, I couldn't definitely say, I might have heard something, and I might have heard it from anybody, and I might have heard it from salesmen, and those things I don't know.

Mr. KENNEDY. I am asking you if you heard it and then you can explain who you heard it from. Did you hear it?

Mr. ERCK. Well, I think that I have heard rumors of it, yes.

Mr. KENNEDY. A little bit of it. You say you heard a little bit of it?

Mr. ERCK. I said I have heard rumors of it.

Mr. KENNEDY. Was the payment always \$300 or \$400?

Mr. ERCK. That I could not answer, and I have no idea.

Mr. KENNEDY. When was that payment made by you?

Mr. ERCK. That was made in November of 1950.

Mr. KENNEDY. Is that the only payment you ever made to any union official?

Mr. ERCK. I did make one other payment at one time, and I can't say which year it was, another payment, and I don't know, I don't remember the exact amount, and it was somewhere between \$30 and \$50, and I am not sure if it was \$30 or \$50.

Mr. KENNEDY. That was to a business agent?

Mr. ERCK. That was in their office.

The CHAIRMAN. Who was that?

Mr. ERCK. The local 73.

The CHAIRMAN. The same union office where you had the other transaction?

Mr. ERCK. Maybe not the same identical room, but the building.

The CHAIRMAN. But the same headquarters?

Mr. ERCK. Yes, sir.

Mr. KENNEDY. To whom was that payment made?

Mr. ERCK. I am not absolutely sure.

Mr. KENNEDY. Then I won't go into it.

Mr. ERCK. I wouldn't want to swear that it was made, because I don't know all of those gentlemen down there, and when I see them all, they all look alike.

The CHAIRMAN. Why was it made?

Mr. ERCK. We had gone to work on a job, and previous to our arriving on the job certain work had been done which was supposedly to have been done by local 73 men but it was not. It was done by members of another union.

The CHAIRMAN. Another union, but they were union men?

Mr. ERCK. They were union men, yes. But they were Steamfitters Union or the Pipefitters Union.

The CHAIRMAN. So because some pipefitters, although union men, had worked on a job, you were required to make a payment?

Mr. ERCK. To compensate for the loss of time by somebody who would have been doing that work if the pipefitters had not been doing it.

The CHAIRMAN. Do you know whether the fellows who lost the time ever got the money or not?

Mr. ERCK. That I do not know.

The CHAIRMAN. You have doubts about it, don't you?

Mr. ERCK. Well, that would be strictly my own thoughts.

The CHAIRMAN. I was able to interpret your thoughts correctly?

Mr. ERCK. I think that you were.

The CHAIRMAN. Thank you.

Mr. KENNEDY. That is all.

The CHAIRMAN. Thank you very much.

Call the next witness.

Mr. KENNEDY. We have one witness, and it is very important that he leave the city, and it is a little bit out of order, but I would like to take him now.

The CHAIRMAN. All right.

Mr. KENNEDY. Mr. Galiger.

The CHAIRMAN. Mr. Galiger, will you come around, please?

Will you be sworn?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. GALIGER. I do.

TESTIMONY OF BERT GALIGER

The CHAIRMAN. State your name, your place of residence, and your business or occupation, please.

Mr. GALIGER. My name is Bert Galiger, 225 McKinley Avenue, Libertyville, Ill., sole proprietor of Galiger Heating Co.

The CHAIRMAN. Do you waive counsel, Mr. Galiger?

Mr. GALIGER. Yes, sir.

The CHAIRMAN. All right. Proceed.

Mr. KENNEDY. You were an independent sheet-metal worker and heating contractor until 1956; is that right?

Mr. GALIGER. That is right.

Mr. KENNEDY. Now you have your own company, and do you have any employees?

Mr. GALIGER. I was a contractor prior to that time for about 10 years, and independent, hiring nonunion help.

Mr. KENNEDY. How many employees do you have at the present time?

Mr. GALIGER. Five at the present.

Mr. KENNEDY. Are they all members of the Sheet Metal Workers?

Mr. GALIGER. No.

Mr. KENNEDY. How many of them are?

Mr. GALIGER. Two sheet metal men, and three pipefitters.

Mr. KENNEDY. When did your men join the Sheet Metal Workers?

Mr. GALIGER. I believe it was in July or August of 1956.

Mr. KENNEDY. Did you call the Sheet Metal Workers headquarters, local 73?

Mr. GALIGER. Yes, sir; I did.

Mr. KENNEDY. Who did you talk to there?

Mr. GALIGER. I don't recall just who I talked to, but a representative, Mr. Howard, was sent to contact me.

Mr. KENNEDY. That is Marty Howard, a business agent of 73?

Mr. GALIGER. That is right.

Mr. KENNEDY. What conversations did you have with him when he came to see you?

Mr. GALIGER. I stated the fact we had work coming up on new construction that was expected to be done by union employees, and I wanted my sheet-metal men to be accepted in the union, and that was about the extent of it.

Mr. KENNEDY. What did he say would be necessary for you to do?

Mr. GALIGER. Well, he suggested that a contribution be made to the

older sheet-metal men who had been such before welfare and pension funds were set up.

Mr. KENNEDY. How much did he want you to contribute?

Mr. GALIGER. Four hundred dollars was the sum mentioned.

Mr. KENNEDY. Did you agree then to pay him the \$400?

Mr. GALIGER. Yes, sir; I did.

Mr. KENNEDY. Did you wish to give him a check?

Mr. GALIGER. Yes, but he stated it should be in cash, and I wrote a check to cash for that amount, and I went over to the bank and cashed it.

Mr. KENNEDY. Then did you return with the cash?

Mr. GALIGER. That is right.

The CHAIRMAN. I present you a photostatic copy of the check, and we have the original here, and you may identify both, and the original may be returned to you.

Will you compare the original check, and also the photostatic copy and state if you identify them.

(Documents handed to the witness.)

Mr. GALIGER. That is right.

The CHAIRMAN. Do you identify both of them?

Mr. GALIGER. Yes, sir.

The CHAIRMAN. The photostatic copy may be made exhibit No. 11.

(Document referred to was marked "Exhibit No. 11" for reference and will be found in the appendix on p. 15842.)

The CHAIRMAN. You may keep the original check.

Mr. KENNEDY. This was the check you went across to the bank and cashed?

Mr. GALIGER. Yes, sir.

Mr. KENNEDY. And you got the \$400 in cash and this check is dated July 19, 1956, and you got \$400 in cash and you returned and gave that cash to Mr. Howard; is that correct?

Mr. GALIGER. Yes, sir.

The CHAIRMAN. What was he, a business agent?

Mr. GALIGER. Yes.

The CHAIRMAN. Where did this money go?

Mr. GALIGER. I have no idea.

The CHAIRMAN. Do you know of any organization or any setup whereby money is collected for old sheet-metal workers who got old and out of business before they set up the pension for them?

Mr. GALIGER. I don't, sir.

The CHAIRMAN. Is that the only time you ever heard of such a thing?

Mr. GALIGER. That is right.

The CHAIRMAN. You were rather skeptical about the truthfulness of that statement at the time, were you not?

Mr. GALIGER. That is right.

The CHAIRMAN. You knew actually what you were doing was making a payoff to a union official?

Mr. GALIGER. Well, as far as general hearsay was concerned.

The CHAIRMAN. You had heard of such things before?

Mr. GALIGER. That is right.

The CHAIRMAN. So therefore you didn't protest very much, and you just knew that was expected of you and if you went in business that is the way you would have to do it?

Mr. GALIGER. That is right.

The CHAIRMAN. And you went and got the money for that purpose?

Mr. GALIGER. That is right.

The CHAIRMAN. Have you ever heard of any one old sheet-metal worker getting one dime out of any of these collections?

Mr. GALIGER. No, sir.

The CHAIRMAN. Do you know anyone who might give us some information about that?

Mr. GALIGER. No, sir.

The CHAIRMAN. Was this business agent an old sheet-metal worker himself?

Mr. GALIGER. Well, he was older than I am. It is possible that he had been a sheet-metal worker at one time.

The CHAIRMAN. Would you recognize him again if you would see him now?

Mr. GALIGER. Yes, sir.

The CHAIRMAN. What is his name?

Mr. GALIGER. Marty Howard.

The CHAIRMAN. Mr. Marty Howard, will you come around, please?

Do you think you can identify Mr. Marty Howard?

Mr. GALIGER. I think so.

The CHAIRMAN. Will you look at the gentleman standing immediately behind you and see if you identify him?

Mr. GALIGER. Yes, sir.

The CHAIRMAN. Who is he?

Mr. GALIGER. He is Marty Howard.

The CHAIRMAN. Is he the one who got your \$400?

Mr. GALIGER. That is right.

The CHAIRMAN. How long have you known him?

Mr. GALIGER. I don't think that I met him much before that.

The CHAIRMAN. Have you met him some since?

Mr. GALIGER. I don't recall having seen him only on one occasion since then.

The CHAIRMAN. You did see him on one occasion since. Could you be mistaken in who he is?

Mr. GALIGER. No, sir.

The CHAIRMAN. You couldn't be mistaken?

Mr. GALIGER. No, sir.

The CHAIRMAN. Thank you.

You may stand aside for the moment. I may want to recall you.

Mr. Howard, you may take the stand at this time, please.

Will you be sworn, Mr. Howard?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. HOWARD. I do.

**TESTIMONY OF MARTIN J. HOWARD, ACCOMPANIED BY COUNSEL.
NATHAN M. COHEN**

The CHAIRMAN. State your name and your place of residence and your business or occupation, please.

Mr. HOWARD. Martin J. Howard, 6060 North Belanthe Street, Chicago, Ill. I am assistant business representative of Local 73, Sheet Metal Workers Union.

The CHAIRMAN. Counsel, will you identify yourself for the record?

Mr. COHEN. Nathan M. Cohen, Chicago, Ill.

The CHAIRMAN. You previously stated, I believe, you are a member of the Chicago bar?

Mr. COHEN. The Illinois bar; that is correct.

The CHAIRMAN. All right; you may proceed.

Mr. KENNEDY. How long have you been with the Sheet Metal Workers?

Mr. HOWARD. I believe, Mr. Kennedy, it was in January of 1953.

Mr. KENNEDY. What were you doing prior to that?

Mr. HOWARD. I was working for the city of Chicago.

Mr. KENNEDY. What was your position with the city of Chicago?

Mr. HOWARD. Ventilating inspector.

Mr. KENNEDY. Were you made a business representative of the union in January of 1953?

Mr. HOWARD. Yes, sir.

Mr. KENNEDY. Had you had any experience in unions prior to that time?

Mr. HOWARD. I have been in the Sheet Metal Workers Union for about 25 years.

Mr. KENNEDY. What is that?

Mr. HOWARD. I have been a member for about 25 years.

Mr. KENNEDY. You have heard the testimony, Mr. Howard, of the previous witness, who testified that Mr. Galiger gave you some \$400. Is that testimony correct?

Mr. HOWARD. Mr. Kennedy, I am going to invoke the fifth amendment and refuse to answer the question for fear that anything I may say may tend to incriminate me.

The CHAIRMAN. Well, let me ask you this: Do you know anything about a fund for old sheet-metal workers?

Mr. HOWARD. I still invoke the fifth amendment.

The CHAIRMAN. What would there be incriminating about a fund to support indigent old sheet-metal workers? I just can't quite get the incrimination that would be involved in doing a charity job or act.

Mr. HOWARD. I still invoke the fifth amendment, Senator.

The CHAIRMAN. Do you honestly believe if you answered the question truthfully that a truthful answer thereto might tend to incriminate you?

Mr. HOWARD. I do.

The CHAIRMAN. It is a strange relationship between a charity organization if there is anything such as that, that to say you collected some money to help people who are old and need assistance that such act might tend to incriminate you.

You, of course, know best. That within itself, it seems to me, wouldn't tend to incriminate you. But if you collected money under the pretense that you were collecting it for a charitable purpose such as this I would construe to be, and then kept the money and didn't use it for that purpose, that I can well see might tend to incriminate you, if not to completely incriminate you.

Now, do you want to make any explanation of that?

Mr. HOWARD. I still invoke the fifth amendment, Senator, on the ground that anything I may say may tend to incriminate me.

The CHAIRMAN. I accept your invoking it with your statement, and with the full implications thereof, but you have an opportunity here, if your actions have been within the propriety of business ethics, you have the opportunity now to make a statement and to correct the record if you are willing to do so.

But if you can't make a truthful statement without incriminating yourself, then I can appreciate you might want to elect to continue to shield yourself behind the fifth amendment. I give you your choice and let you make the decision.

Mr. HOWARD. I still invoke the fifth amendment, Senator.

The CHAIRMAN. Are there any further questions, Mr. Counsel?

Mr. KENNEDY. I might just ask you if you kept the money?

Mr. HOWARD. I still invoke the fifth amendment.

The CHAIRMAN. Do you know Mr. Galiger, who just testified that he gave you the \$400?

Mr. HOWARD. I will still invoke the fifth amendment.

The CHAIRMAN. I suppose you would continue to do that if we kept you here until the day after tomorrow asking you questions; wouldn't you?

Mr. HOWARD. I still invoke the fifth amendment.

The CHAIRMAN. I thought you would. I am glad you answered that question because I will not waste any more time on you. You may stand aside for the present, but remain here, as there may be something else I would like to interrogate you about.

Call the next witness.

Well, before recessing, and we shall soon recess until in the morning, before doing so I want Mr. Galiger back for a moment and also Mr. Cronin.

Will Mr. Galiger come forward, please, just for 1 moment?

Mr. Galiger, you will remain under your present subpoena, subject to being recalled by the committee at such time as it may desire further testimony from you. Reasonable notice will be given you of the time and place where your testimony will be desired.

Do you accept that agreement?

Mr. GALIGER. Yes, sir.

The CHAIRMAN. Thank you very much. I may say to you that you will remain under that subpoena and under the jurisdiction of this committee. If you are molested in any way, any threats, any intimidation or violence undertaken against you, you will report it to this committee, because those who may attempt such action or commit such acts, in my judgment, would be guilty of contempt of the United States Senate, and I would want to take the proper proceedings against them. Will you do that?

Mr. GALIGER. Yes, sir.

The CHAIRMAN. Thank you very much. You may be excused for the present.

Mr. Cronin, I understand there will be further derogatory testimony against you, and, therefore, we will not be able to excuse you this afternoon. Further testimony will be heard against you tomorrow.

In the meantime, take such action as you can with respect to having your records assembled. We will try to dismiss you tomorrow if we can so that you can get back, but those records will be required.

Are there any further questions?

Mr. CRONIN. Yes. Will they be required by tomorrow?

The CHAIRMAN. No. I told you the order was to deliver them by Monday at noon.

Mr. CRONIN. But you want me here tomorrow?

The CHAIRMAN. Yes. Thank you.

The committee will be in recess until 10 o'clock tomorrow.

(Members of the select committee present at time of recess: The chairman and Senator Kennedy.)

(Whereupon, at 3:42 the select committee recessed, to reconvene at 10 a.m., Tuesday, December 3, 1958.)



INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

WEDNESDAY, DECEMBER 3, 1958

UNITED STATES SENATE
SELECT COMMITTEE ON IMPROPER ACTIVITIES,
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 10 a.m., pursuant to Senate Resolution 221, agreed to January 29, 1958, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of select committee) presiding:

Present: Senator John L. McClellan, Democrat, Arkansas; Senator John F. Kennedy, Democrat, Massachusetts.

Also present: Robert F. Kennedy, chief counsel; La Vern J. Duffy, investigator; Irwin Langenbacher, investigator; Ruth Y. Watt, chief clerk.

The CHAIRMAN. The committee will come to order.

(Members of the select committee present at the convening of the session were: Senators McClellan and Kennedy.)

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. I would like to call Mr. Johnson, please.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. JOHNSON. I do.

TESTIMONY OF CECIL L. JOHNSON

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. JOHNSON. My full name is Cecil L. Johnson, and I live at 11117 Depot Street, Worth, Ill., and I am president of the Bond Ventilating Co.

The CHAIRMAN. That is Bond Ventilating, Inc.?

Mr. JOHNSON. That is right, sir.

The CHAIRMAN. Do you waive counsel, Mr. Johnson?

Mr. JOHNSON. What is that?

The CHAIRMAN. Do you want a lawyer to be present when you testify to advise you as to your legal rights?

Mr. JOHNSON. I have no need for a lawyer.

The CHAIRMAN. Thank you very much.

Mr. Kennedy, you may proceed.

Mr. KENNEDY. How long have you been in this business of ventilating?

Mr. JOHNSON. Since 1949.

Mr. KENNEDY. And you had your own company then; you had your own company in 1949?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. How many employees do you have now?

Mr. JOHNSON. Six of us total, including the office; four employees, and two in the office.

Mr. KENNEDY. What kind of work do you do?

Mr. JOHNSON. Industrial and commercial sheet-metal work.

Mr. KENNEDY. Is that installing ventilating equipment?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. Are all of your employees members of the Sheet Metal Workers Union?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. Now, Mr. Johnson, you say you went in business in 1949.

Mr. JOHNSON. Actually, I went in business on November 18, 1949.

Mr. KENNEDY. When did your shop become union; at that time?

Mr. JOHNSON. Approximately the same time.

Mr. KENNEDY. How did that happen?

Mr. JOHNSON. Well, I set the shop up and I went down to contact the Sheet Metal Union, and they told me it would cost \$300 to go into business.

The CHAIRMAN. Why did you go down to see the Sheet Metal Union?

Mr. JOHNSON. In order to contact or to be accepted in all offices, like architects, and heating contractors, or factories of other kinds, you must be union or they will not accept you.

The CHAIRMAN. In other words, you cannot go in business without making it satisfactory to the union?

Mr. JOHNSON. No, sir.

The CHAIRMAN. Is that correct?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. In other words, you have to make a deal with the union before you can go in business?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. All right.

Mr. KENNEDY. Let me understand; you set up your business and you went down to union headquarters—and could you speak up a little louder? It is very difficult to hear you.

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. You went down, and whom did you talk to there?

Mr. JOHNSON. Mr. Cronin.

Mr. KENNEDY. He was president of local 73?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. Of the Sheet Metal Union?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. What did he say to you at that time?

Mr. JOHNSON. Well, I said I was going into business and he got mad, and finally he told me that he would let me go in if I gave him \$300.

Mr. KENNEDY. He got mad that you were going in business, but he said he would allow you to go in if you paid him \$300?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. What control did he have over who should go into business?

Mr. JOHNSON. Well, I really don't know, or the union supplied you with union men.

Mr. KENNEDY. You had to go to the headquarters to get your employees; is that right?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. And so he had the control over determining who should go into business or not?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. And he said, for you to go into business, you would have to pay him \$300; is that right?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. Did you make out a check?

Mr. JOHNSON. Yes, sir; I did. Originally I made out a check, and I took it down to him, and he would not accept it.

Mr. KENNEDY. He would not accept the check?

Mr. JOHNSON. No, sir.

Mr. KENNEDY. What did he say to you?

Mr. JOHNSON. Go back and get it cashed and bring it back.

Mr. KENNEDY. Could you speak a little louder?

Mr. JOHNSON. He said to go back and get it cashed, if I wanted to go into business.

Mr. KENNEDY. So did you do that?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. And you brought the cash back?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. And you gave him the \$300; is that right?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. What did he say the money was going to be used for?

Mr. JOHNSON. He said that some of it was going to go for Christmas baskets to the poor people.

Mr. KENNEDY. Christmas baskets for the poor people?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. Why couldn't you give him a check if it was going to be for Christmas baskets for the poor people?

Mr. JOHNSON. That is a hard one to answer.

Mr. KENNEDY. You understood, or felt it was not just for the poor people, did you not?

Mr. JOHNSON. I beg your pardon?

Mr. KENNEDY. You understood it wasn't for the poor people, did you not?

Mr. JOHNSON. Well, I pretty well assumed it wasn't.

The CHAIRMAN. The fact is you knew it was just a payoff to get the privilege of going into business without being molested; is that not true?

Mr. JOHNSON. Yes, sir; and we know you have to give that to go into business, and that is standard practice.

The CHAIRMAN. You had known about that before you started to go into business, had you not?

Mr. JOHNSON. No; I can't say that. But I found it out real quick when I set my business up.

The CHAIRMAN. You found it out immediately you set up business?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. You had not heard of this racket before that time?

Mr. JOHNSON. Not up to that time.

Mr. KENNEDY. It is generally accepted now? Do you know that in order to go into business you have to make this payment?

Mr. JOHNSON. I have heard it around a couple of times, and I couldn't say for sure, sir.

Mr. KENNEDY. But is it a practice that is understood, that takes place in Chicago?

Mr. JOHNSON. Oh, yes.

Mr. KENNEDY. You were bidding on industrial and commercial jobs then starting?

Mr. JOHNSON. Small industrial and commercial jobs; yes.

Mr. KENNEDY. Did you receive any communication or telephone calls from any contractors from the period of 1950 to the present telling you not to bid on any contracts?

Mr. JOHNSON. Yes; one. You are talking about the contract.

Mr. KENNEDY. First on contractors, did you receive telephone calls from them on occasion, telling you not to bid on contracts?

Mr. JOHNSON. Yes, I did.

Mr. KENNEDY. Two or three times a year?

Mr. JOHNSON. No. Only twice that actually contractors have called me.

Mr. KENNEDY. Did Mr. Cronin call you?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. How many times did he call you about it?

Mr. JOHNSON. On jobs, about two or three times.

Mr. KENNEDY. And tell you not to bid on contracts?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. What contracts were they?

Mr. JOHNSON. One was, I believe, the seventh floor of the county building, they were going to revamp some ventilation work, and we had taken on a plan, and he told me not to bid it.

Mr. KENNEDY. It was a county building in Chicago?

Mr. JOHNSON. Yes, sir; county hospital.

Mr. KENNEDY. The hospital?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. And he told you not to bid on it?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. What reason did he tell you not to bid on it?

Mr. JOHNSON. Well, it was out of my territory, and I should not bid on the bigger stuff.

Mr. KENNEDY. Did he call you on any other jobs?

Mr. JOHNSON. Yes; he called me on one other job, on the Chicago Transit Authority job.

Mr. KENNEDY. And he told you not to bid on that?

Mr. JOHNSON. Well, yes, he did; not to bid, or complement the bid.

Mr. KENNEDY. What do you mean, "complement the bid?"

Mr. JOHNSON. Put in a higher bid.

Mr. KENNEDY. Put in a higher bid?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. Did he say he would have the contractor call you and tell you what figure to put in?

Mr. JOHNSON. He had the contractor contact me.

Mr. KENNEDY. He had the contractor contact you?

Mr. JOHNSON. He said he would.

Mr. KENNEDY. Did the contractor contact you?

Mr. JOHNSON. Yes; he did.

Mr. KENNEDY. And did you follow his instructions?

Mr. JOHNSON. No; I did not.

Mr. KENNEDY. Did you put in your own bid?

Mr. JOHNSON. I definitely put in my own bid, the way I see them.

Mr. KENNEDY. What bid did you put into that?

Mr. JOHNSON. On that particular job, I think it was around \$53,000.

Mr. KENNEDY. Did you win it?

Mr. JOHNSON. No, sir.

Mr. KENNEDY. What happened on that?

Mr. JOHNSON. Zack Co. took it for \$47,000.

Mr. KENNEDY. Will you describe what happened? What occurred just prior to that, and what led up to this?

Mr. JOHNSON. Well, prior to that I had gone down to see them and got on the bidders' list.

Mr. KENNEDY. One second. The CTA refers to the Chicago Transit Authority?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. All right, go ahead.

Mr. JOHNSON. They let me bid on a small ventilation job on 76th and Vincennes Street, or 77th and Vincennes, and I bid the job at \$17,500, and I was low bidder. The closest bid to me was \$32,000-and-some.

Mr. KENNEDY. There was that much difference between your bid and the next bidder?

Mr. JOHNSON. Yes, sir. They asked me to come into the office after I was so low and to make sure I could do it, and I asked for time to look it over; and so I went back and looked it over, and we found we could make money, not a lot of money, but a little money at that rate. So we went back downtown to CTA, and they asked us to qualify our bid, which we did, showing them that we could make money at \$17,500, or at least break even.

So they gave me the contract, and prior to that they had another job that was bid at \$79,000, and I don't know if these figures are right exactly, or not.

Mr. KENNEDY. This is another job going on at the same time?

Mr. JOHNSON. That had been bid prior to me bidding this \$17,000.

Mr. KENNEDY. That was also the Chicago Transit?

Mr. JOHNSON. I was not on the bidders, and they withdrew that bid and they hadn't let the contract yet, and they asked me to bid that one, too.

Mr. KENNEDY. You had the low bid by far on this earlier smaller job: is that correct?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. And at the same time they were putting out bids for a much larger job?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. Is that right?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. And the lowest bid on this larger job was \$79,000?

Mr. JOHNSON. That larger job was bid prior to me coming in on the \$17,000 job.

Mr. KENNEDY. So the Chicago Transit Authority then got in touch with you and said they wanted you to bid on this other job as well?

Mr. JOHNSON. That is right.

Mr. KENNEDY. And so you put in your bid on the other job, where the lowest bid had been \$79,000?

Mr. JOHNSON. Approximately; yes, sir. So then we all rebid the job, and my bid was \$53,000, I think, and the low bid that got it was \$47,000.

Mr. KENNEDY. So the bids changed when they put the bids out again, you then were able or felt you were able to do it for \$53,000?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. Which was some \$26,000 lower than had been originally bid?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. Now, why had somebody gotten even lower than you, \$49,000?

Mr. JOHNSON. I assume they wanted it real bad or wanted to keep me from getting it.

Mr. KENNEDY. What conversations did you have with that bidder prior to that?

Mr. JOHNSON. He came out and tried to get me to go with them, and he said it was very embarrassing and to go with them on that bid.

Mr. KENNEDY. Who was that that came out?

Mr. JOHNSON. I don't remember his name exactly, but I am sure he is head of Reynolds Corp.

Mr. KENNEDY. Mr. Brown?

Mr. JOHNSON. I believe that is his name.

Mr. KENNEDY. Of the Reynolds Corp.?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. In Chicago?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. And he told you it would be very embarrassing, your bidding on this job?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. And asked you not to bid; is that right?

Mr. JOHNSON. Well, he asked me not to bid, or he asked me to complement his bid.

Mr. KENNEDY. So that you would bid a little bit above what he was going to bid?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. Did he bring someone with him when he came to see you?

Mr. JOHNSON. He had a big fellow that made a lot of noise and tried to be rough, and he didn't hurt me, and he didn't threaten me or anything, but just cracked his knuckles, and stuff like that.

Mr. KENNEDY. He was cracking his knuckles?

Mr. JOHNSON. Yes.

The CHAIRMAN. In other words, he was making a demonstration so as to intimidate you; is that right?

Mr. JOHNSON. I beg your pardon?

The CHAIRMAN. He was making a demonstration of his brute strength so as to try to intimidate you; is that right?

Mr. JOHNSON. In a way; yes, sir.

The CHAIRMAN. Sir?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. In other words, he was strutting around there, and showing his authority?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. You understood what he was doing?

Mr. JOHNSON. It didn't bother me.

The CHAIRMAN. You understood what he was doing?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. All right.

Mr. KENNEDY. So you refused to go along with this?

Mr. JOHNSON. I definitely refused to go along.

Mr. KENNEDY. And you put your bid in for what you thought you could do the work, which was \$53,000, but he put in a lower bid for \$47,000?

Mr. JOHNSON. I think it was Zack Co. took it on the second go around, took it for \$47,000.

Mr. KENNEDY. That is the Zack Co.?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. How do you spell that?

Mr. JOHNSON. Z-a-c-k.

Mr. KENNEDY. That was still some \$32,000 lower than the bids as they had been originally replaced?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. And where the lowest bid before had been \$79,000?

Mr. JOHNSON. Approximately

Mr. KENNEDY. The transit authority ultimately got the work done for \$47,000?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. Did you have any conversations with Cronin about that?

Mr. JOHNSON. Well, after I had bid this \$17,500 job, he called me in the office and told me that I should go with these boys in this thing.

Mr. KENNEDY. Go with the employers?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. What did he say, and what conversations did you have with him?

Mr. JOHNSON. He said that they will contact you, and "now this is very embarrassing, and you should go with them on the next go-around."

Mr. KENNEDY. Did he tell you not to enter into any more bids without clearing it with him?

Mr. JOHNSON. Yes, and I should clear all bids through him.

Mr. KENNEDY. When was this Chicago Transit Authority job?

Mr. JOHNSON. I am not too sure of the date, but I think it is 1955.

Mr. KENNEDY. When was the hospital job?

Mr. JOHNSON. Right around that time, too, or a little prior to that; 3 or 4 months prior to that.

Mr. KENNEDY. This has been going on for the last couple of years?

Mr. JOHNSON. The last year and a half.

Mr. KENNEDY. The last year and a half?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. Did Cronin say anything to you that you should turn over any percentage of your business to him or that he could help you?

Mr. JOHNSON. He said that if I would go along with them on things, he would try to get me some State work and I would have to pay him 2 percent.

Mr. KENNEDY. How much?

Mr. JOHNSON. Two percent.

Mr. KENNEDY. What did you say to him about that?

Mr. JOHNSON. I didn't say nothing, sir.

Mr. KENNEDY. You didn't say anything?

Mr. JOHNSON. No, sir.

Mr. KENNEDY. Did you have an argument with him at the time?

Mr. JOHNSON. We had a pretty severe argument; yes, sir.

Mr. KENNEDY. Did you ever pay these union officials any money other than the \$300 to Mr. Cronin?

Mr. JOHNSON. I paid \$50 for all apprentices except one.

Mr. KENNEDY. All of the what?

Mr. JOHNSON. All of the apprentices that I have got from the union hall.

Mr. KENNEDY. How many apprentices have you received?

Mr. JOHNSON. Approximately five.

Mr. KENNEDY. You had to pay \$50 for each one?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. To whom do you pay the \$50?

Mr. JOHNSON. Mr. Cronin.

Mr. KENNEDY. Mr. Cronin himself?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. Why do you have to pay that?

Mr. JOHNSON. I guess that is the fee to get an apprentice.

Mr. KENNEDY. Check or cash?

Mr. JOHNSON. Cash.

Mr. KENNEDY. Is there anything else?

Mr. JOHNSON. Well, I paid an annuity a couple of times to business agents for the men they have sent out, I would say just twice.

Mr. KENNEDY. How much did you pay them?

Mr. JOHNSON. Fifty dollars each time.

Mr. KENNEDY. What would the business agents be coming out for?

Mr. JOHNSON. Well, they send men out, and they come out and check your shop, and see if it is wholly union and there is nothing that isn't acceptable to the union rules and regulations.

Mr. KENNEDY. To whom did you pay that money?

Mr. JOHNSON. Once it was to Mr. Kaberlain, and the other time was Mr. Caldwell.

Mr. KENNEDY. That was \$50.

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. Was that at a time they were coming out to examine complaints against you?

Mr. JOHNSON. Well, we had one little complaint about the apprentices with taking tools on the job, and that is against the union regulations.

Mr. KENNEDY. Did they drop the complaint?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. A complaint about the apprentices taking tools on the job?

Mr. JOHNSON. They definitely are not allowed to take tools on the job.

The CHAIRMAN. In other words, they go to work without tools?

Mr. JOHNSON. Yes, sir. I could never understand that myself.

The CHAIRMAN. You send them to work without tools?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. And if they take tools the boss has got to pay off; is that right?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. I am trying to get it straight, and I just can't understand a thing like that.

Mr. JOHNSON. I never could either myself.

The CHAIRMAN. But if they take tools to go out and do the work they are supposed to do, why, then, you as the employer get penalized and you have to pay off tribute to them?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. You did that on two occasions?

Mr. JOHNSON. Yes, sir. On one occasion on that, and the other one was McGill-Weiseimer Co. had moved to their plant which we had done, and their employees were unloading sheet-metal work on the back docks, which was against union regulations, and they were going to stop the job at that time, and the only way we could smooth things over was to give them \$50.

Mr. KENNEDY. To whom did you give that \$50?

Mr. JOHNSON. Mr. Caldwell.

Mr. KENNEDY. Mr. Ray Caldwell?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. Up to now your testimony reflects that first you paid \$300 for the privilege of going into business.

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. Is that true?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. And you paid it in cash?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. You first made out a check to whom?

Mr. JOHNSON. To Mr. Cronin.

The CHAIRMAN. To him personally?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. And he declined the check?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. And ordered you to get the money in cash?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. Did you keep that original check you made out to him?

Mr. JOHNSON. At that time, sir, I was in business with E. W. Berg, Inc., and when I formed this ventilating company known as Bond Ventilating, Inc., we were each 50-50 partners in it and we had just incorporated for \$2,000, and I believe the check was made at that

time. It had cross entries from his books to my books until we got so we could get started. He made the check out himself.

The CHAIRMAN. But you carried it out?

Mr. JOHNSON. I wouldn't know, and I doubt if he would have it.

The CHAIRMAN. You carried the check in person?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. And tendered it to Mr. Cronin?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. All right, that is \$300 you were out.

Now, you had five apprentices?

Mr. JOHNSON. Yes, sir; I have had about six, sir.

The CHAIRMAN. You have had about six?

Mr. JOHNSON. Yes, sir; on one occasion I didn't have to pay.

The CHAIRMAN. Then you had five apprentices that you had to pay on?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. That would be \$50 each, and that would be \$250?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. Then you have paid out \$50 on two occasions to business agents or representatives to straighten out little grievances?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. Just as you have testified?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. That makes a total of \$650 that you have been out in cash?

Mr. JOHNSON. That is right, sir.

The CHAIRMAN. For the privilege of doing business?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. Did you make any other payments, other than the ones you have mentioned?

Mr. JOHNSON. No, sir.

Mr. KENNEDY. Did you make any other payments to Mr. Cronin?

Mr. JOHNSON. No, sir.

Mr. KENNEDY. Did Mr. Cronin ever come to you with certain complaints and you had an exchange of the cigarette box?

Mr. JOHNSON. That was for apprentices, sir.

Mr. KENNEDY. How was that handled?

Mr. JOHNSON. I had to meet him somewhere and give him his \$50.

Mr. KENNEDY. How would you give him the \$50?

Mr. JOHNSON. In an empty cigarette box, a hard box. That was on a couple of occasions.

Mr. KENNEDY. You put the \$50 in the cigarette box and then gave it back to him?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. What was that for?

Mr. JOHNSON. That was for apprentices, for the right to have an apprentice.

The CHAIRMAN. I thought you had already covered that in the \$250.

Mr. JOHNSON. That is the same thing we are talking about.

The CHAIRMAN. That isn't in addition to the \$650?

Mr. JOHNSON. No, sir.

Mr. KENNEDY. He was describing how it was paid on occasion. Then you gave him some cuff links, did you?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. How much did you pay for them?

Mr. JOHNSON. \$75 for the cuff links.

Mr. KENNEDY. At Christmastime?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. That \$75 is in addition to the \$650?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. Then you gave his daughter a wedding present?

Mr. JOHNSON. No, that wasn't me. That was my partner at that time.

Mr. KENNEDY. Your partner. What was his name?

Mr. JOHNSON. E. W. Berg, who owns Berg, Inc.

Mr. KENNEDY. And he gave the daughter a wedding present?

Mr. JOHNSON. Yes.

Mr. KENNEDY. How much was that worth?

Mr. JOHNSON. I really don't know.

Mr. KENNEDY. Did Mr. Cronin speak to you on any other occasion about staying out of any of the bids in Chicago?

Mr. JOHNSON. No.

Mr. KENNEDY. Did he call you one time from Florida?

Mr. JOHNSON. That was on the county building, the county hospital.

Mr. KENNEDY. Well, at that time he was in Florida, was he?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. And he called you from there?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. And he told you not to bid on the job?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. Did he tell you what would happen to you if you did bid on the job?

Mr. JOHNSON. He would have a business agent at the door and they would rip their cards in half and I would be out of business.

Mr. KENNEDY. If you put a bid in?

Mr. JOHNSON. Yes.

Mr. KENNEDY. They would rip your employees' union cards in half and you would be out of business immediately if you bid on this contract?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. Did you bid on the contract?

Mr. JOHNSON. No, sir.

Mr. KENNEDY. What was that contract? Can you describe it any more?

Mr. JOHNSON. It is the county hospital, the seventh floor. It is a section of the building.

Mr. KENNEDY. How much did the bid go for, do you know?

Mr. JOHNSON. I really don't know. We never even figured the job.

The CHAIRMAN. This \$75 that you spoke of for a Christmas present, that was in addition to the \$650?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. Making a total of \$725?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. Why did you feel you had to give him a Christmas present?

Mr. JOHNSON. Well, in order to expedite our work we knew that it was necessary.

The CHAIRMAN. In other words, you knew you had to pay off in the form of a Christmas present to save trouble?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. Who suggested that to you?

Mr. JOHNSON. Well, nobody suggested it. This was right after I had gone into business, and the \$300 was involved.

The CHAIRMAN. You had already been sufficiently indoctrinated with their methods of operation that you knew that this was expected of you?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. Were you told by any of these contractors who called you that they had control over certain areas and that you shouldn't try to come in and bid on those?

Mr. JOHNSON. Yes. One case was the Kaiser Corp.

Mr. KENNEDY. The what?

Mr. JOHNSON. The Kaiser Corp. They called me and told me that I shouldn't be bidding on this one job. I believe it was Photocopy, a company that makes reprint machines. We bid it, but we never got it.

Mr. KENNEDY. Why did they say you shouldn't bid it?

Mr. JOHNSON. Well, they said that they had been in there for years and it belonged to them.

Mr. KENNEDY. What about Narowetz?

Mr. JOHNSON. He took my partner and I out to lunch one time and told us that we should stick out on the outer edge of town and try to develop those little factories that are going to grow into bigger factories some day and that the Loop belonged to him and the other boys.

Mr. KENNEDY. To the big contractors?

Mr. JOHNSON. Yes, sir.

Mr. KENNEDY. He is a big ventilating contractor in Chicago?

Mr. JOHNSON. Yes.

Mr. KENNEDY. That is Mr. Louis Narowetz?

The CHAIRMAN. About this wedding present, did you get an invitation to his daughter's wedding?

Mr. JOHNSON. Yes, I did, sir.

The CHAIRMAN. Did your partner get one, also?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. Was a wedding present bought by the firm for the two of you?

Mr. JOHNSON. I don't remember. I think Mr. Berg paid for that. We had just started in business on the ventilating venture just a couple of months prior to that.

The CHAIRMAN. How much did you pay for that wedding present?

Mr. JOHNSON. I really don't know. Probably around \$100.

The CHAIRMAN. I understood it was about \$200.

Mr. JOHNSON. That is possible.

The CHAIRMAN. Where is your partner?

Mr. JOHNSON. He is in business at 1616 West 63d Street now, in the steam-heating business.

The CHAIRMAN. Senator Kennedy, have you any questions?

Senator KENNEDY. You say you went into business. Why did you have to go to the union to get employees? Couldn't you have gone ahead and just hired them yourself?

Mr. JOHNSON. In some cases, if I have a friend that knows someone, I get the sheet-metal worker, but that is very seldom. They are actually supposed to go through the union hall.

Senator KENNEDY. That is not permitted by the act. The union hall is not supposed to operate as a hiring hall.

Mr. JOHNSON. Well, we are supposed to call them, in our case, for men every time you need them, in every case.

Senator KENNEDY. Who says you can't hire men yourself?

Mr. JOHNSON. I beg your pardon?

Senator KENNEDY. Who says you can't hire men yourself? You don't have a union shop contract, obviously.

Mr. JOHNSON. I have a union shop.

Senator KENNEDY. But at the time you went into business? What I am trying to ask you is, by what process of education did you learn that you had to go down to the union hall to hire employees?

Mr. JOHNSON. Well, originally when I paid Mr. Cronin the \$300, he briefed me on saying that I must call there for manpower, and if I was union employer I would get consideration.

Senator KENNEDY. Did you understand that if you didn't hire as employees members of the Sheet Metal Union, that your products wouldn't be serviced by building trades? Why didn't you hire your own people?

Mr. JOHNSON. You must be union or you can't be accepted in any architect's office or any manufacturing place or anywhere else, because these manufacturers do not want union trouble.

Senator KENNEDY. In other words, you have to go to the union to get the men?

Mr. JOHNSON. Yes, sir.

Senator KENNEDY. As I understood it, Mr. Cronin stated that you couldn't get these union people unless you had contributed the \$300 which he said was for the Christmas fund; is that right?

Mr. JOHNSON. Will you please say that over?

Senator KENNEDY. That you couldn't get the union men—that you had to get union men or you couldn't operate, and you couldn't get the union men until you made the contribution of \$300 to Mr. Cronin?

Mr. JOHNSON. That is right.

Senator KENNEDY. After you made the \$300 contribution to Mr. Cronin, you were able to get the union men and you have been able to get them ever since?

Mr. JOHNSON. Yes, sir. Once in a while we can't. I would say 50 percent of the time we can't get any men. Sometimes we can and sometimes we can't. It depends on whether they are out of work or not.

Senator KENNEDY. What?

Mr. JOHNSON. If any of them are out of work and are hanging around the union hall.

Senator KENNEDY. Let's say there is enough work for all of them. Then what do you do if you want people? Do they just tell you that there are no men available?

Mr. JOHNSON. There is nothing available, unless you go get a new fellow, an apprentice or something, and they might accept him.

Senator KENNEDY. Then you pay the \$50 for the apprentice. Suppose they don't want to take him?

Mr. JOHNSON. There is nothing you can do about it.

Senator KENNEDY. And you pay \$375 to get into the Sheet Metal Workers? He pays \$375 entrance dues to get into the Sheet Metal Workers?

Mr. JOHNSON. \$300.

Mr. KENNEDY. It is \$375 now.

Senator KENNEDY. It is \$375 now. How good were the men that were sent to you?

Mr. JOHNSON. About 99 percent of the time they were lousy.

Senator KENNEDY. In what way were they lousy?

Mr. JOHNSON. They would go to sleep on the job; drink on the job.

The CHAIRMAN. What? Say it over.

Mr. JOHNSON. I said they would sleep, take naps on the job. I found three of them sleeping on the job once.

Senator KENNEDY. Did you fire them?

Mr. JOHNSON. Yes; I did.

Senator KENNEDY. What happened?

Mr. JOHNSON. Nothing happened in that case.

Senator KENNEDY. Did you get some more men?

Mr. JOHNSON. Not right then, no. At a little later date I did.

Senator KENNEDY. How long do you think it takes to learn how to be a sheet-metal worker?

Mr. JOHNSON. Well, I would say to be a fair sheet-metal worker it would take 4 years.

Senator KENNEDY. Four years.

Mr. JOHNSON. Yes, sir.

Senator KENNEDY. It is that highly skilled?

Mr. JOHNSON. That would have to be a very studious individual.

Senator KENNEDY. You mean it would really take you 4 years in order to learn how to do it?

Mr. JOHNSON. Yes.

Senator KENNEDY. Are you a sheet-metal worker?

Mr. JOHNSON. Yes, sir.

Senator KENNEDY. Are you in the union?

Mr. JOHNSON. Yes, sir.

Senator KENNEDY. You are not in it now; is that right?

Mr. JOHNSON. Yes, sir.

Senator KENNEDY. But you were? That is how you started?

Mr. JOHNSON. Yes, sir.

Senator KENNEDY. It took you 4 years to do it?

Mr. JOHNSON. At that time I served my first part of my sheet metal up in Michigan.

Senator KENNEDY. Did you used to get hired by having people come to the union hall to hire you?

Mr. JOHNSON. We had no unions up there, sir.

Senator KENNEDY. You were nonunion there?

Mr. JOHNSON. That was quite a few years ago.

Senator KENNEDY. Thank you.

Mr. KENNEDY. When you fired these people, did you fire them yourself?

Mr. JOHNSON. Yes.

Mr. KENNEDY. Did you have to pay any penalty for firing them?

Mr. JOHNSON. Not at the time he was talking about. We had the Ivanhoe School, I believe it was, a small job, and I walked in the boilerroom about noon, the furnace room, and the apprentice was working all alone.

I asked him where the men was and he said they just went to lunch. So I went back out and talked to the superintendent on the job and he said that, "Your men don't get here until 9 o'clock in the morning, they leave at 10, and they come back at 2:30."

I had an appointment on the north side and had to leave at once. I told the apprentice to tell them, to fire them, when they come in. So he fired them, and that was almost the end of his union career. I had to pay them an extra day's wages each because they had been fired wrongly. They should be fired by an executive of the company.

Mr. KENNEDY. You were told on a number of occasions, were you not, by Mr. Cronin, that you should not bid on contracts without clearing through him first?

Mr. JOHNSON. A couple of times.

The CHAIRMAN. Mr. Johnson, from information I have received, I realize that you have testified somewhat reluctantly because of apprehension and concern about what can or could happen to you. Is that correct?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. First, I want to commend you for your cooperation with the committee and for your coming, even though reluctantly, because of the terror that has been instilled in the small businessman of your category of business in that area, and because of the exploitation of you that is going on through this racket-infested union.

I want to commend you for having the courage to do it. This committee has a stupendous task. We are confronted, not only the committee, but the Government of the United States, with a challenge from these racketeers, gangsters, thugs, crooks, hoodlums, who are undertaking to take over the economy of this country.

The committee has faithfully and diligently undertaken to try to bring these facts to light so that the Congress might have the information to guide it with respect to legislation that is needed to remedy these conditions.

Good Americans, people like you, who, although under the stress and strain of apprehension as to the retaliation that might be taken against them, who come before the committee and give us this information to help preserve our Government, you are to be highly commended for it.

I cannot command words at the moment to express the commendation that you deserve. I want to place you under recognizance to reappear before this committee. You will remain under your present subpoena.

If at any time, while you remain under the jurisdiction of this committee, these thugs, hoodlums, and racketeers, exploiters, gangsters, that element, undertake in any way to intimidate you, to coerce or threaten you, or anyone in your family, I want you to report it immediately to this committee. I think we can take some action. I think we can command other agencies of the Government to act. We will give you every protection within our power.

Will you accept that recognizance?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. Thank you very much, and also the thanks, I can say, of all decent citizens in this country go to you, and to others who have appeared here who have been willing, in the face of this crying situation, to come before the committee and tell the truth. Thank you very much.

Call the next witness.

Mr. KENNEDY. Mr. Jolicoeur.

The CHAIRMAN. You solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. JOLICOEUR. I do.

TESTIMONY OF WILBUR JOLICOEUR

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. JOLICOEUR. Wilbur Jolicoeur. I live in Medina, Ill. I operate the Jolicoeur Metal & Heating Co. of Melrose Park. I am president.

The CHAIRMAN. Do you waive counsel, Mr. Jolicoeur?

Mr. JOLICOEUR. Yes.

The CHAIRMAN. All right, Mr. Kennedy; proceed.

Mr. KENNEDY. Mr. Jolicoeur, how many employees do you have?

Mr. JOLICOEUR. At the present time we have nine.

Mr. KENNEDY. And they are all members of the Sheet Metal Workers Union?

Mr. JOLICOEUR. Yes, all of them are members of the 72 local except the men we have working in Michigan.

Mr. KENNEDY. How long have you been in business yourself?

Mr. JOLICOEUR. Since 1948.

Mr. KENNEDY. How long have you been affiliated with the union?

Mr. JOLICOEUR. I believe it was in 1952.

Mr. KENNEDY. How did that come about?

Mr. JOLICOEUR. Well, we had been approached a couple of years prior—well, I think in 1950—about joining the union, and I couldn't see any definite advantages to it at that time. So we declined the offer.

Mr. KENNEDY. What happened after that?

Mr. JOLICOEUR. Well, as the work started to come in and our business was being built up, we were approached at a later date, I think it was in 1952 then, to join the union, to form a union shop. And after talking it over, I was told to bring \$300 down to the union hall.

Mr. KENNEDY. Who told you that?

Mr. JOLICOEUR. I couldn't remember the exact name at the time. I think it was probably either Mr. Cronin or Mr. Troutman.

Mr. KENNEDY. Either Mr. Cronin, the head of the union, or Mr. Troutman, the business agent?

Mr. JOLICOEUR. Yes.

Mr. KENNEDY. And one of those two men told you to bring \$300 down to the union hall?

Mr. JOLICOEUR. Yes.

Mr. KENNEDY. That was after you decided to join the union?

Mr. JOLICOEUR. Yes.

Mr. KENNEDY. Was that to be by check or cash?

Mr. JOLICOEUR. By cash.

Mr. KENNEDY. Were you told that?

Mr. JOLICOEUR. Yes.

Mr. KENNEDY. What was the purpose of the \$300?

Mr. JOLICOEUR. Well, at the time I passed it over to one of the two gentlemen I was told it was for compensation for the union officials.

Mr. KENNEDY. What kind of compensation?

Mr. JOLICOEUR. They just mentioned it was compensation.

Mr. KENNEDY. It wasn't regular union dues?

Mr. JOLICOEUR. No.

Mr. KENNEDY. They told you that; that it was just compensation?

Mr. JOLICOEUR. They said it was compensation for the union officers.

Mr. KENNEDY. Did they tell you it wouldn't go into the regular union funds? Was there any conversation about that?

Mr. JOLICOEUR. Well, I assumed that it wouldn't go into the union fund.

Mr. KENNEDY. About 1953 or 1954 did you start bidding on industrial work?

Mr. JOLICOEUR. Yes.

Mr. KENNEDY. Would you tell me if you had any conversations with any union official in connection with that?

Mr. JOLICOEUR. Well, I think the first few jobs we bid we started getting some calls from the union about, saying that our shop wasn't big enough, wasn't equipped well enough to handle big work; that we shouldn't be taking it. As a matter of fact, it was mentioned that we shouldn't even attempt to undertake any job larger than \$5,000, and if we did, we should call down to the hall and get clearance from them first.

Mr. KENNEDY. Who told you that?

Mr. JOLICOEUR. This was on a phone call that I received from the hall.

Mr. KENNEDY. Do you know who it was that called you?

Mr. JOLICOEUR. I can't truthfully say.

Mr. KENNEDY. Had any union official been out to your shop to find out if it was too small to do this work?

Mr. JOLICOEUR. I think since we had joined the union, we were in one location in Melrose Park, and in between that period we moved to another location and put up a new building. No one had ever been in our shop.

Mr. KENNEDY. No union official had ever been there?

Mr. JOLICOEUR. No.

Mr. KENNEDY. Yet they were calling you and telling you you were too small?

Mr. JOLICOEUR. Yes.

Mr. KENNEDY. Why is it their prerogative, anyway, to tell you whether you should bid on a contract or not?

Mr. JOLICOEUR. I don't understand that myself.

Mr. KENNEDY. What did you say to them?

Mr. JOLICOEUR. I don't think I said anything about it. We just went ahead and kept bidding.

Mr. KENNEDY. You didn't feel that you were bound by the instructions from the union?

Mr. JOLICOEUR. No.

Mr. KENNEDY. Did they say that you should just handle contracts up to \$5,000 and you should clear it with them before you bid on the contract?

Mr. JOLICOEUR. Yes.

Mr. KENNEDY. You could handle the ones under \$5,000, but clear the rest with them?

Mr. JOLICOEUR. Yes.

Mr. KENNEDY. Did you clear it with them when you bid?

Mr. JOLICOEUR. No. When we were called in to bid on a job, we just went ahead and bid it, unless we got a call.

Mr. KENNEDY. Did they tell you that if you did bid on these other contracts what you should bid on them?

Mr. JOLICOEUR. They never did tell us what to bid on a job, although we had calls on certain jobs. We were practically through with the estimating on them and they told us not to turn in our bid.

Mr. KENNEDY. These were calls from the union headquarters?

Mr. JOLICOEUR. Yes.

Mr. KENNEDY. Did they ever tell you that if you did bid on any contracts, they would give you a number and tell you what to bid?

Mr. JOLICOEUR. Just on one occasion.

Mr. KENNEDY. They never identified who they were when they called you from the union headquarters?

Mr. JOLICOEUR. Not that I can remember; no.

Mr. KENNEDY. How often did this happen, that you received the calls from the union headquarters not to bid on the contracts?

Mr. JOLICOEUR. Well, I think there was possibly six or seven instances.

Mr. KENNEDY. Was there an instance, a situation, that arose recently in the Illinois Institute of Technology in Chicago?

Mr. JOLICOEUR. Yes.

Mr. KENNEDY. Would you tell us about that?

Mr. JOLICOEUR. Well, we were bidding the job, and I think it was about the day before the bids were to go in, or I think 2 days before. I got a call from the hall and was asked if I was bidding the job and I said "Yes."

They mentioned that I shouldn't be bidding, but if I were going to go ahead with it, they would give me a number to go in with before the bidding was due.

Mr. KENNEDY. They would tell you what you were to bid?

Mr. JOLICOEUR. Yes.

Mr. KENNEDY. Did you bid on it?

Mr. JOLICOEUR. No.

Mr. KENNEDY. Why didn't you bid on it?

Mr. JOLICOEUR. Well, rather than go in to the false price, I just forgot about the whole thing.

Mr. KENNEDY. You didn't want to be mixed up with that?

Mr. JOLICOEUR. No.

Mr. KENNEDY. What was the size of the job, approximately?

Mr. JOLICOEUR. Well, I would be a little bit reluctant to say. I would imagine \$25,000 or \$30,000.

Mr. KENNEDY. It was the men's residence hall at the Illinois Institute of Technology?

Mr. JOLICOEUR. Yes.

Mr. KENNEDY. Did you have any calls from any contractors telling you not to bid?

Mr. JOLICOEUR. No, I didn't.

Mr. KENNEDY. All of these calls were from union officials?

Mr. JOLICOEUR. Yes.

The CHAIRMAN. Have you made any payoffs to the union or any officials of the union other than the \$300 that you paid initially?

Mr. JOLICOEUR. No.

The CHAIRMAN. Have any demands been made on you for any further payments?

Mr. JOLICOEUR. No.

The CHAIRMAN. Do you employ your men through the union?

Mr. JOLICOEUR. Generally speaking, no. We have called down there for men sometimes, but they don't seem to be the best. We just hesitate to call. We try to find men who are out of work ourselves who have union cards and hire them that way.

The CHAIRMAN. If you employ somebody who does not have a union card, what happens?

Mr. JOLICOEUR. Well, he would get pulled off the job.

The CHAIRMAN. Can he join the union by making a payment? I am just asking about your experience, now.

Mr. JOLICOEUR. I haven't had any experience. As far as our apprentices are concerned, some of the men that we have in the shop now started with us originally. They have made their own arrangements about getting their permit cards.

The CHAIRMAN. Do you know what they had to pay?

Mr. JOLICOEUR. No, I don't.

The CHAIRMAN. But they made their own arrangements?

Mr. JOLICOEUR. Yes.

The CHAIRMAN. Is there anything further?

Mr. KENNEDY. That is all, Mr. Chairman.

The CHAIRMAN. All right. Thank you very much.

You will remain under your present subpoena under the jurisdiction of the committee, subject to being recalled at such time as the committee may need further testimony from you.

The same admonition I have given to other witnesses with respect to any molestation or intimidation or attempt to coerce you, threats and so forth, will apply to you. You will report to the committee any incident of that nature that might happen.

Mr. JOLICOEUR. Thank you.

Mr. KENNEDY. Could I ask you this: On the question of identification, when these people would call up from the union headquarters, did they give you any name at all?

Mr. JOLICOEUR. There were names given, and a lot of times I had to call back. I can't truthfully say which one it was.

Mr. KENNEDY. But were there a number of names that were given to you?

Mr. JOLICOEUR. Well, it would be either Mr. Troutman or Mr. Cronin. Just those two are the only gentlemen I have had any dealings with at the union.

Mr. KENNEDY. You can't identify any particular call with any particular individual, but the people that called you from the headquarters were either Mr. Troutman or Mr. Cronin; is that right?

Mr. JOLICOEUR. Yes.

Mr. KENNEDY. I wanted to be sure we had that straightened out. The calls from the union headquarters came from either Mr. Troutman or Mr. Cronin.

Mr. JOLICOEUR. Yes.

Mr. KENNEDY. Thank you.

The CHAIRMAN. We have here an affidavit from Mr. Arthur L. Nelson, dated the 25th day of November 1958. It may be printed in the record at this point.

Mr. Nelson is vice president of John H. Nelson Co., Inc., heating and sheet-metal contractors. It states, among other things, that his usual contracts are around \$1,000 and the highest has been \$38,000, and when a contractor asked him to bid on a job he was called by either Mr. Cronin, Mr. Troutman or Mr. Tracy of local 73, who told him he was not supposed to bid on school jobs and, therefore, he entered no bid.

That is the substance of the affidavit.

(The affidavit referred to follows:)

AFFIDAVIT

8200 SOUTH VINCENNES AVENUE,
Chicago, Ill., November 25, 1958.

I, Arthur L. Nelson, voluntarily make this statement to Irwin Langenbacher, who has identified himself as an assistant counsel, U.S. Senate Committee on Labor and Management. I am vice president of John H. Nelson Co., Inc., heating and sheet-metal contractors. Our usual contracts are around \$1,000, and our highest has been \$38,000.

About a year or two ago one of our salesmen obtained plans from a general contractor pertaining to the ventilating installation at a school. Shortly afterward I received a call from either Cronin, Troutman, or Tracy of local 73 who said I was not supposed to bid on school jobs, and I said I did not intend to. No bid was entered by our company.

I have read the above statement and it is true to the best of my knowledge and belief.

/s/ ARTHUR L. NELSON.

Sworn to and subscribed before me this 25th day of November 1958.

E. J. GORMAN, *Notary Public*.

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. Mr. John Merrow.

The CHAIRMAN. Be sworn, please.

You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MERROW. Yes.

TESTIMONY OF JOHN MERROW

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. MERROW. John Merrow. I live at 8734 Duffy, in Hometown, Ill. My business is at 3215 East 83d.

The CHAIRMAN. I didn't get the last.

Mr. MERROW. The business is 3215 East 83d.

The CHAIRMAN. What is the business?

Mr. MERROW. Sheet metal. J & M Heating Co.

The CHAIRMAN. J & M Heating Co.?

Mr. MERROW. Yes.

The CHAIRMAN. What is your connection with the company?

Mr. MERROW. I own the company.

The CHAIRMAN. You own the company?

Mr. MERROW. Yes.

The CHAIRMAN. You waive counsel, I assume?

Mr. MERROW. Yes, I do.

The CHAIRMAN. Proceed.

Mr. KENNEDY. You owned the company since September 1954?

Mr. MERROW. Yes, sir.

Mr. KENNEDY. How many employees do you have?

Mr. MERROW. Four.

Mr. KENNEDY. Prior to going into business for yourself, you were a sheet-metal worker?

Mr. MERROW. That is right.

Mr. KENNEDY. And had a union card in local 73 in Chicago?

Mr. MERROW. Yes, sir.

Mr. KENNEDY. You went in business in 1954. Did you speak to a business agent of the Sheet Metal Workers Union?

Mr. MERROW. Well, I tried to get in quite a while before. I had some union men working for me. I didn't understand that I had to clear the hall to go into business. I was operating a couple of weeks and then they called and pulled all the men out of my shop.

Mr. KENNEDY. Even though you had all union men?

Mr. MERROW. Yes, they did.

The CHAIRMAN. Who pulled them out?

Mr. MERROW. The business agent, Mr. Kaberlein.

The CHAIRMAN. Why did he pull them out?

Mr. MERROW. Because I hadn't been properly signed up with the union to be a contractor.

The CHAIRMAN. Although you were employing union men, all of your employees were union, you hadn't made the proper arrangements yet?

Mr. MERROW. Well, the thing was that I called up and wanted to pay their welfare and pension fund, and he said, "How can you do that when you are not even a contractor?" And that is what started the ball rolling.

The CHAIRMAN. Tell us how it rolled.

Mr. MERROW. That was in April. Then I had to go back to work for another contractor at that time, and I had a chance to buy tools from an older fellow that went out of business, and so I had this investment and I still wanted to go into business. So at the time I didn't feel that I could sell the tools and get my money back, and then in August I called them again and he said, "Come in the next board meeting," which was on the third Friday of the month. So I came in, and they decided to look my shop over the following Wednesday, and when he came out to look my shop over—

The CHAIRMAN. You appeared before the board?

Mr. MERROW. Yes, sir.

The CHAIRMAN. That is about 12 members?

Mr. MERROW. Yes, sir; at least that many.

The CHAIRMAN. They were the ones to decide whether you could go into business or not?

Mr. MERROW. Yes, sir.

The CHAIRMAN. You just can't start a business, you have to appear before the board?

Mr. MERROW. You have to sign up that you are willing to pay welfare and pension funds.

The CHAIRMAN. Once you agreed to do that, this board is the one that decides whether you can go into business or not?

Mr. MERROW. Yes, sir.

The CHAIRMAN. And that board has its meeting down at the union headquarters?

Mr. MERROW. They send out their business agent later, and look you over, and if he says it is all right, it is OK.

The CHAIRMAN. The business agent came out?

Mr. MERROW. Yes, sir.

The CHAIRMAN. That was Mr. Kaberlein again?

Mr. MERROW. Yes, sir.

The CHAIRMAN. What did he say?

Mr. MERROW. He looked the shop over, and he said that he didn't think I could make it, that there was a lot of competition, and that he advised me not to go in, but if I still wanted to, all right. Then he suggested that for the Christmas baskets and the older sheet-metal workers, that I pay \$300.

The CHAIRMAN. For what?

Mr. MERROW. For Christmas baskets and the older sheet-metal workers that couldn't keep a job very often, it was a practice that everyone gave \$300 toward contributions to the people that couldn't hold a job very often.

The CHAIRMAN. What time of year was this that you went in business?

Mr. MERROW. It was in September of 1954.

The CHAIRMAN. They started collecting Christmas baskets in September?

Mr. MERROW. That is what he said, sir.

The CHAIRMAN. What is that?

Mr. MERROW. That is what he said.

The CHAIRMAN. Did you believe him?

Mr. MERROW. Well, I have my own opinion, I don't know what it is.

The CHAIRMAN. I am sure you did have an opinion, and you knew it was just a shakedown, didn't you?

Mr. MERROW. Well, I have heard of it a lot of times, it is standard practice.

The CHAIRMAN. And you were then experienced?

Mr. MERROW. Yes, sir, and I have been in the union quite a while.

The CHAIRMAN. And so you knew how they operated?

Mr. MERROW. Yes, sir.

The CHAIRMAN. You knew what that was for?

Mr. MERROW. Yes, sir.

The CHAIRMAN. It went to the officers, didn't it?

Mr. MERROW. Pardon me?

The CHAIRMAN. It went to the officers?

Mr. MERROW. I can't say that, and I don't know.

The CHAIRMAN. You don't think it ever went beyond them, do you?

Mr. MERROW. There are a lot of old sheet-metal workers, and I know if they come to my shop they couldn't hold a job very long.

The CHAIRMAN. There are old people in all professions and all vocations, and do you know of them getting this money?

Mr. MERROW. I never heard of it.

The CHAIRMAN. What is that?

Mr. MERROW. I never heard of it.

The CHAIRMAN. All right. I understand the staff has examined the books of the union; is that correct?

Mr. KENNEDY. Yes, that is correct.

The CHAIRMAN. And they find no entry anywhere where any money was paid out for old sheet-metal workers?

Mr. KENNEDY. Or that this money was ever received in the books.

The CHAIRMAN. There is no record or accounting of this money; is that correct?

Mr. KENNEDY. That is correct.

The CHAIRMAN. All right.

Mr. KENNEDY. Did he say the money had to be paid in cash?

Mr. MERROW. Yes, sir.

Mr. KENNEDY. He told you that?

Mr. MERROW. I had already been informed of that before, and so I had the money in cash.

Mr. KENNEDY. You knew about this?

Mr. MERROW. Well, he informed me before.

Mr. KENNEDY. Did you pay it to him at the time he was out there?

Mr. MERROW. Yes, sir.

Mr. KENNEDY. He told you before that you were going to have to pay the \$300?

Mr. MERROW. He said \$450, but when he got there he changed it to \$300.

Mr. KENNEDY. You got by with \$300?

Mr. MERROW. Yes, sir.

Mr. KENNEDY. And he said it would have to be in cash?

Mr. MERROW. Yes, sir.

Mr. KENNEDY. He didn't give you any receipt for it?

Mr. MERROW. No, sir.

Mr. KENNEDY. That is all.

The CHAIRMAN. Is there anything further, Senator Kennedy?

Senator KENNEDY. No, sir.

The CHAIRMAN. Thank you very much.

You have heard the injunction the Chair gave to the other witnesses, and you will remain under your present subpoena under the jurisdiction of the committee, and you will report to us any attempts to intimidate or coerce or threaten you.

Mr. MERROW. Am I allowed to go home today?

The CHAIRMAN. Yes, and you agree to return and give further testimony to the committee at such time as you may be notified to do so?

Mr. MERROW. Yes, sir, I do.

The CHAIRMAN. Thank you.

Mr. KENNEDY. Mr. Kaberlein.

The CHAIRMAN. Mr. Kaberlein, will you come around.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. KABERLEIN. I do.

**TESTIMONY OF JOSEPH KABERLEIN, ACCOMPANIED BY COUNSEL,
NATHAN M. COHEN**

The CHAIRMAN. Mr. Kaberlein, give us your name and your address and your business or occupation, please.

Mr. KABERLEIN. Joseph Kaberlein. I live at 6543 Nokomis Avenue, Lincolnwood, and I am a business representative for the Sheet Metal Workers Local 73.

The CHAIRMAN. You have counsel, do you?

Mr. KABERLEIN. I do have.

The CHAIRMAN. Counsel, identify yourself for the record.

Mr. COHEN. Nathan M. Cohen, Chicago, Ill., and I am a member of the Illinois bar.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Kaberlein, how long have you been with the Sheet Metal Workers Union?

Mr. KABERLEIN. I started my apprenticeship in 1928.

Mr. KENNEDY. When did you become a sheet-metal worker?

Mr. KABERLEIN. A full-fledged journeyman, you mean?

Mr. KENNEDY. Yes.

Mr. KABERLEIN. In 1935.

Mr. KENNEDY. When did you become an officer?

Mr. KABERLEIN. In 1948.

Mr. KENNEDY. Were you elected or appointed?

Mr. KABERLEIN. I was appointed the first time—or no; I was elected both times.

Mr. KENNEDY. You were elected both times?

Mr. KABERLEIN. Yes, sir.

Mr. KENNEDY. In 1948 and then in 1953?

Mr. KABERLEIN. Yes.

Mr. KENNEDY. Now, what compensation do you receive from the union?

Mr. KABERLEIN. Pardon me?

Mr. KENNEDY. What compensation do you receive from the union at the present time?

Mr. KABERLEIN. In what way; salary?

Mr. KENNEDY. Salary and expenses.

Mr. KABERLEIN. My salary is \$350 a week, and we have expense for the car, \$129 for every 2 weeks.

Mr. KENNEDY. \$129 every 2 weeks for your car?

Mr. KABERLEIN. Car and incidental expenses.

Mr. KENNEDY. That is \$350 a week salary and \$258 a month expense?

Mr. KABERLEIN. That is about right.

Mr. KENNEDY. Do you also receive any travel expenses that you might have?

Mr. KABERLEIN. I do when I go out of town.

Mr. KENNEDY. Do you also receive any money from any of the contractors who are setting up business in Chicago?

Mr. KABERLEIN. There isn't a contractor that could come in here and truthfully say he has given me any money.

Mr. KENNEDY. We have had two of them who have sworn under oath that they gave you money. The previous witness just testified

that he paid you \$300 in cash after you requested \$450 from him originally.

Mr. KABERLEIN. The previous witness, he lied when he said that I took men out of his shop and closed his shop, or that he had gave me any money.

Mr. KENNEDY. Let us stick strictly to the question of giving you money. He testified that he gave you \$300 in cash in approximately September of 1954; did he give you \$300 in cash in September of 1954?

Mr. KABERLEIN. I deny that he gave me any money at any time.

Mr. KENNEDY. Mr. Johnson, one of the witnesses that preceded him this morning, testified that on several occasions he gave you \$50 in cash.

Mr. KABERLEIN. Mr. Johnson has never given me any money.

Mr. KENNEDY. So those statements by both of those witnesses that they gave you money in cash in order to settle their labor difficulties, and labor problems, is untrue; is that correct?

Mr. KABERLEIN. That is correct.

Mr. KENNEDY. You didn't receive any money from these individuals?

Mr. KABERLEIN. I did not receive any money.

Mr. KENNEDY. Did you ever suggest to any contractor that he not bid on any contract?

Mr. KABERLEIN. Not to my knowledge did I ever tell any contractor not to bid on any job.

Mr. KENNEDY. Well, you would remember if you had done that. Is your answer unequivocal?

Mr. KABERLEIN. I did not tell any contractor not to bid on any job.

Mr. KENNEDY. Did you ever tell any contractor what he should bid on a job?

Mr. KABERLEIN. I did not.

Mr. KENNEDY. Did you ever tell any contractor that you would have another individual contact him and tell him how much he should bid on a job?

Mr. KABERLEIN. I did not tell any contractor that.

Mr. KENNEDY. Did you tell any individual that?

Mr. KABERLEIN. I did not.

Mr. KENNEDY. That is all.

The CHAIRMAN. Are there any questions, Senator?

Mr. COHEN. The witness states that the taking of pictures at this time does make him a bit nervous and distracts him. I will ask these gentlemen to withhold their pictures.

The CHAIRMAN. The photographers will withhold taking further pictures while the witness is testifying.

All right, proceed.

Senator KENNEDY. Some reference has been made by a previous witness to what amounts to a hiring hall, as far as the Sheet Metal Workers are concerned in the Chicago area. Now, if they go into business, do they come to the union for employees; is that the custom?

Mr. KABERLEIN. Every contractor has the right to hire anyone he wishes, and that is the right to discharge anyone he wishes.

Senator KENNEDY. Well, you heard the previous statement as to what the procedure was in the cases involved; is that not correct?

Mr. KABERLEIN. Those statements are false.

Senator KENNEDY. That isn't the procedure that they follow?

Mr. KABERLEIN. That is not the procedure.

Senator KENNEDY. Now, if a company is going to be set up, is it customary in the area where you have a responsibility for the employer to come to you in regard to the employees that he will hire?

Mr. KABERLEIN. Mr. Kennedy, I didn't hear the first part of your statement.

Senator KENNEDY. Is it customary where an employer goes into business in your area, to come to the Sheet Metal Workers for employees?

Mr. KABERLEIN. They don't come in for employees.

Senator KENNEDY. You don't suggest employees?

Mr. KABERLEIN. We don't suggest any employees, and they have a right to hire any employees they wish.

Senator KENNEDY. Well, I know they do have a legal right to, and the question is, do they?

Mr. KABERLEIN. They do.

Senator KENNEDY. They don't come to you for employees, and you don't recommend employees to the employers?

Mr. KABERLEIN. Occasionally an employer has no one that he can obtain, and he doesn't know of any men out of work, and he may come in and ask if we had any men out of work, or select men in the office that are sitting downstairs and waiting for work, and many of our contractors have done that.

Senator KENNEDY. They do come to your union then to get employees. In other words, your union people do come and wait around the union in order to get work?

Mr. KABERLEIN. At times they do, and most of the time they are always selected on the jobs.

Senator KENNEDY. In other words, it is unequivocally false that employers, the ones that came here and employers in a similar position, come to you for employees and are subject to possible action by your members around the country if they do not do so? That is false; is that correct?

Mr. KABERLEIN. Senator Kennedy, I didn't hear that earlier statement.

Senator KENNEDY. What I am trying to do is ask you whether the statement that they made, that they came to you in order to get employees recommended to them; I am asking you whether that statement is false.

Mr. KABERLEIN. That statement is false.

Senator KENNEDY. And in addition that they paid you in order to get the employees; that that is false, too?

Mr. KABERLEIN. That is false.

Senator KENNEDY. Now, it is not customary for the majority of employers in the area where you have responsibilities to come to the union for employees; is that correct?

Mr. KABERLEIN. It is not customary for the employers to come to our office for men. They may hire anyone they wish.

Senator KENNEDY. And there has been no attempt to force them to clear their employees with you?

Mr. KABERLEIN. No attempt made to that effect.

Senator KENNEDY. It is customary in a good many areas for them to do what these men have said that you have forced them to do. There is no doubt that that goes on all of the time, and it is a bootleg operation, but it is in effect in a good many of the building trades circles, as you know. It is not a complete surprise to you, this statement. I am quite aware that it goes on, and so are you, are you not? You never have heard of it going on, where the employer must come to the union for employees?

Mr. KABERLEIN. There have been occasions where the employer would come in for men, yes. But they are not forced to come in for men, and it is not suggested that they come in.

Senator KENNEDY. How much does it cost to join your union?

Mr. KABERLEIN. \$375; equivalent to 100 working hours.

Senator KENNEDY. How much for an apprentice?

Mr. KABERLEIN. An apprentice, it doesn't cost him anything to join the union.

Senator KENNEDY. \$300 is quite a lot of money, is it not? What are the dues?

Mr. KABERLEIN. The dues are \$15 a quarter.

Senator KENNEDY. That is quite a lot of money, that initiation fee, \$375 to join the union.

Mr. KABERLEIN. That has been in the constitution, 100 working hours, ever since the start of the union.

Senator KENNEDY. How many members of your local are there? Are you a business agent?

Mr. KABERLEIN. Yes, sir.

Senator KENNEDY. How many members of the local are there?

Mr. KABERLEIN. About 4,000.

Senator KENNEDY. You receive \$1,658 a month?

Mr. KABERLEIN. Approximately.

Senator KENNEDY. How often are you traveling?

Mr. KABERLEIN. Well, in the spring we have a State conference.

Senator KENNEDY. How many of you get this amount of money that you get; how many people are there on the payroll in your local?

Mr. KABERLEIN. There are seven.

Senator KENNEDY. Seven of you?

Mr. KABERLEIN. Yes, sir.

Senator KENNEDY. How much do they all get?

Mr. KABERLEIN. Pardon me?

Senator KENNEDY. What do they get paid?

Mr. KABERLEIN. It varies, depending on the length of the trip.

Senator KENNEDY. What do they get paid per month? Do they average the same salary you do, and expenses?

Mr. KABERLEIN. About the same; yes, sir.

Senator KENNEDY. They have a car?

Mr. KABERLEIN. Yes, sir.

Senator KENNEDY. Seven of them?

Mr. KABERLEIN. Yes, sir.

Senator KENNEDY. Who are they, and what are the titles?

Mr. KABERLEIN. The business representatives.

Senator KENNEDY. Is there a secret election in your local?

Mr. KABERLEIN. Pardon me?

Senator KENNEDY. Is there a secret election in your local?

Mr. KABERLEIN. It is an election.

Senator KENNEDY. When were you elected; what year?

Mr. KABERLEIN. The first time in 1948, and in 1952, and 1957.

Senator KENNEDY. Did anybody run against you in 1957?

Mr. KABERLEIN. No, sir.

Senator KENNEDY. Was it by a secret ballot, or open ballot?

Mr. KABERLEIN. It was by acclamation.

Senator KENNEDY. Did anybody run against any of your other seven members of the union who are officers?

Mr. KABERLEIN. Pardon me?

Senator KENNEDY. Did anybody contest any of the elections in your local?

Mr. KABERLEIN. No; there was no contest.

Senator KENNEDY. They were all by acclamation?

Mr. KABERLEIN. All by acclamation.

Senator KENNEDY. That is quite a large salary, is it not, for seven members of a local to receive, average \$1,660 a month plus expenses when you are traveling? That is about \$18,000 a year, that six of you get from the local. There are seven of you. What do seven of you do?

Mr. KABERLEIN. Excuse me.

Senator KENNEDY. That is a total of pretty nearly over \$120,000 for salaries in that local a year. What is it that you all do?

Mr. KABERLEIN. We each have a territory that we check, and we travel and we service whatever complaints we have with the members.

Senator KENNEDY. You all average \$20,000 a year in this local?

Mr. KABERLEIN. Approximately.

Senator KENNEDY. Tell me how this compares to a number of other unions. Let us say the International Brotherhood of Electrical Workers.

Mr. KABERLEIN. I don't know what their salary is.

Senator KENNEDY. How much does it cost for them to join, and what is their initiation fee?

Mr. KABERLEIN. I have no knowledge of their initiation fee.

Senator KENNEDY. Tell me about some of the others. What does it cost to join the Plumbers?

Mr. KABERLEIN. I have no knowledge of the other building trades.

Senator KENNEDY. You have no knowledge of any other building trades, what they charge?

Mr. KABERLEIN. I never inquired.

The CHAIRMAN. Mr. Kaberlein, do you have in your union, local 73, a fund for the relief of old, indigent, sheet-metal workers?

Mr. KABERLEIN. There is no fund, and we don't collect for any fund.

The CHAIRMAN. I beg your pardon?

Mr. KABERLEIN. There is no fund.

The CHAIRMAN. There is no fund maintained by your union for that purpose?

Mr. KABERLEIN. No, sir.

The CHAIRMAN. Either from voluntary donations or from dues or assessments?

Mr. KABERLEIN. That is correct.

The CHAIRMAN. No such fund has ever existed in your union?

Mr. KABERLEIN. No.

The CHAIRMAN. If you have collected money, \$300 and so forth, from people going into business, for such a fund, then it was collected under false pretense because there is no such fund; is that true?

Mr. KABERLEIN. I have never collected money for that purpose.

The CHAIRMAN. I didn't say you had. I said if it is collected, then it is obtained under false pretense, for there is no such fund?

Mr. KABERLEIN. I don't know how to answer that.

The CHAIRMAN. You know how to answer it, and if there is no fund, you can't pay into something that isn't.

Mr. KABERLEIN. That is true.

The CHAIRMAN. That is true, isn't it?

Mr. Cronin, come forward a moment, please.

You may stand right there by your counsel, Mr. Cronin. I just want to ask you one question about this fund. You will remain under your same oath that was administered to you yesterday.

**TESTIMONY OF ARTHUR H. CRONIN, ACCOMPANIED BY COUNSEL,
NATHAN M. COHEN—Resumed**

The CHAIRMAN. Do you have in your union, local 73, a fund for the relief of old, indigent, sheet-metal workers?

Mr. CRONIN. There is no fund at the present time.

The CHAIRMAN. Was there ever such a fund?

Mr. CRONIN. Some years ago.

The CHAIRMAN. How many years ago?

Mr. CRONIN. As far back as 1925 or 1926.

The CHAIRMAN. Back in 1925 or 1926?

Mr. CRONIN. And it lasted until about 4 or 5 years ago. They were voluntary contributions that were sent in by the contractors. At one time they used to donate their trucks to send baskets, turkeys, hams, anything, to people that were out of work, and when work became plentiful several years ago we stopped it, and sent checks back that were sent in for that purpose.

The CHAIRMAN. When was the last time that fund operated?

Mr. CRONIN. I believe, Senator—I am not exactly sure—I think it was 4 or 5 years ago.

The CHAIRMAN. Did you keep a record of it any time?

Mr. CRONIN. No.

The CHAIRMAN. Never any record kept?

Mr. CRONIN. No.

The CHAIRMAN. There is no way to check on it?

Mr. CRONIN. No, sir.

The CHAIRMAN. Have you any record of the distribution of the money?

Mr. CRONIN. We might dig up some names for you, if you want them, but I don't have them.

The CHAIRMAN. I am talking about a record.

Mr. CRONIN. No; we didn't keep a record.

The CHAIRMAN. You kept no records at the time?

Mr. CRONIN. That is right.

The CHAIRMAN. Either of receipts or disbursements?

Mr. CRONIN. That is right. It wasn't a huge fund.

The CHAIRMAN. You heard this testimony. Did you have the practice of requiring these people who went into business to pay you \$300 for that fund?

Mr. CRONIN. Absolutely not.

The CHAIRMAN. So there was no money paid into that fund by these people that testified?

Mr. CRONIN. They could have. I don't know as to that.

The CHAIRMAN. No, I am talking about paid to you.

Mr. CRONIN. To me?

The CHAIRMAN. Yes.

Mr. CRONIN. For what?

The CHAIRMAN. For that fund.

Mr. CRONIN. Paid to me for that fund?

The CHAIRMAN. Yes.

Mr. CRONIN. They could have sent some money in to me that I saw several years ago.

The CHAIRMAN. Well, did they? These people testified that they gave you money—

Mr. CRONIN. None of these people who testified ever sent me 5 cents.

The CHAIRMAN. All right. I wanted to get that clear. There was no fund in the first place for these people to send money to?

Mr. CRONIN. Well, I don't know how far back you refer to.

The CHAIRMAN. I am talking about these who testified.

Mr. CRONIN. I don't know. I haven't got the testimony in front of me. I can't tell you. Some of these fellows said it was 1947 and 1948. At that time maybe they did contribute something.

The CHAIRMAN. Well, did they?

Mr. CRONIN. I don't know.

The CHAIRMAN. In other words, there is no record?

Mr. CRONIN. That is right.

The CHAIRMAN. And some as late as 1954.

Mr. CRONIN. I don't think there was 1 cent later than that.

The CHAIRMAN. So 1954 couldn't be correct?

Mr. CRONIN. It could and it couldn't be, Senator. I am not sure.

The CHAIRMAN. Who administered that fund?

Mr. CRONIN. Well, we would usually pick somebody who was out of work to handle it and take notes, letters, that were sent in to the union by men who were out of work, and at times there were as many as two and three and four hundred.

At that time, the contributions never, never came up to what were needed to make up the Christmas baskets. Contractors would send in trucks. We would buy the baskets, use the money that was sent in for that purpose, and if money was necessary we did take it out of the union at that time to add—

The CHAIRMAN. Are there any records of the money you took out of the union?

Mr. CRONIN. Well, I imagine they would be there. But that is some years ago, now.

The CHAIRMAN. Wouldn't you know as president whether you kept records or not?

Mr. CRONIN. I don't keep the books, Mr. McClellan.

The CHAIRMAN. No, but you supervise it. You are responsible, if you have any duties at all.

Mr. CRONIN. That is right.

The CHAIRMAN. Well, do you know that they were kept?

Mr. CRONIN. Well, possibly if you go far back enough you can find them.

The CHAIRMAN. How far back?

Mr. CRONIN. Well, in the later years we didn't need anything out of the union, so I would say you would have to go back until right after the postwar era when work was plentiful.

The CHAIRMAN. What do you mean by that? 1947 or 1948?

Mr. CRONIN. I would say prior to 1943 or 1944.

The CHAIRMAN. Prior to that?

Mr. CRONIN. Yes.

The CHAIRMAN. You would have to go back prior to that?

Mr. CRONIN. Yes.

The CHAIRMAN. Do you have your records prior to that?

Mr. CRONIN. I don't know. I don't think we do. I don't think we have them that far back.

The CHAIRMAN. So there are no records available to substantiate that?

Mr. CRONIN. I don't think there are.

The CHAIRMAN. Did you ever refuse to take checks for that fund?

Mr. CRONIN. I certainly did.

The CHAIRMAN. Why?

Mr. CRONIN. Because we didn't want them. The men, they sent them in voluntarily, and we sent them back to them.

The CHAIRMAN. You sent the checks back?

Mr. CRONIN. Yes, sir.

The CHAIRMAN. You wouldn't take a check for that fund?

Mr. CRONIN. I wouldn't take a check for anything.

The CHAIRMAN. You don't take checks. You try to avoid records?

Mr. CRONIN. Well, I don't mean it that way.

The CHAIRMAN. You said it. I don't understand what you mean.

Mr. CRONIN. I know I said it, but, my goodness, we do not take checks or cash for anything. Let me put it that way.

The CHAIRMAN. You don't take checks or cash for anything?

Mr. CRONIN. That is right.

The CHAIRMAN. How do you get money into the treasury?

Mr. CRONIN. That is a union matter. Men pay their dues and that is the only way money comes into the treasury.

The CHAIRMAN. You don't take checks or cash?

Mr. CRONIN. We take checks or cash for union initiation, for union dues.

The CHAIRMAN. That is what I asked you.

Mr. CRONIN. I didn't understand you. I am sorry.

The CHAIRMAN. You don't take checks or cash for contribution to this fund?

Mr. CRONIN. There are no checks or contributions coming in for any fund at this time.

The CHAIRMAN. You say you have no fund now, but you have had it. I am talking about when you had the fund. Did you insist on cash or did you accept checks?

Mr. CRONIN. No, we did not. We would take anything then.

The CHAIRMAN. You would take anything you could get.

Mr. Merrow and Mr. Johnson, come forward, please.

Mr. Merrow, I believe you testified that you had given \$300 in cash to Mr. Kaberlein; is that correct?

Mr. MERROW. Yes, sir; that is correct.

The CHAIRMAN. Who is the Mr. Kaberlein that you gave that money to?

Mr. MERROW. The fellow on the left.

The CHAIRMAN. The man who sits in the witness chair at the present time?

Mr. MERROW. Yes, sir.

The CHAIRMAN. And he did exact \$300 from you?

Mr. MERROW. Yes, sir.

The CHAIRMAN. And you paid him in cash?

Mr. MERROW. That is right.

The CHAIRMAN. Do you remember the date of that, or about the approximate time?

Mr. MERROW. In September of 1954. The date I don't know.

The CHAIRMAN. September 1954. Did he tell you at that time they had a fund for those old, indigent, sheet-metal workers?

Mr. MERROW. Yes, sir; he did.

The CHAIRMAN. And that it was to go into that fund?

Mr. MERROW. That is right.

The CHAIRMAN. Mr. Cronin, I will ask you did you have a fund at that time for this money to go into?

Mr. CRONIN. No, sir; I don't believe we did.

The CHAIRMAN. Mr. Kaberlein, what did you do with the money?

Mr. KABERLEIN. I never received any money from Mr. Merrow.

The CHAIRMAN. You say that statement is false?

Mr. KABERLEIN. The statement of Mr. Merrow's is false.

The CHAIRMAN. Mr. Johnson, you stated at different times you paid money. I think to Mr. Cronin, was your testimony. Did you pay any money to Mr. Cronin?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. According to your testimony, as the record reflects a number of times, who is the Mr. Cronin that you paid that money to?

Mr. JOHNSON. This man right here.

The CHAIRMAN. The man sitting right there in the witness chair now?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. Sitting by his attorney, Mr. Cohen?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. Did you pay money at any time to a Mr. Kaberlein?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. Who is the Mr. Kaberlein you paid the money to?

Mr. JOHNSON. The gentleman on the far side.

The CHAIRMAN. The gentleman on the far side who has just been testifying?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. In other words, the two men that you paid money to, one Mr. Cronin and one Mr. Kaberlein, are each sitting on either

side of their counsel, Mr. Cohen, at the present time, and testifying before this committee?

Mr. JOHNSON. Yes, sir.

The CHAIRMAN. All right; thank you, gentlemen. You may have a seat.

Is there anything further, Senator Kennedy?

Senator KENNEDY. Have you any explanation of how this might come about?

Mr. CRONIN. Are you talking to me?

Senator KENNEDY. Either one of you. Is there any explanation that you might have?

Mr. CRONIN. As to the Johnson case?

Senator KENNEDY. Let's just take the case today.

Is there any possibility that there could be any misunderstanding in this matter that they could make the statements that they gave you money and you could make the statement that you never received it? Have you any explanation?

Mr. KABERLEIN. I presume they made false entries in their income tax returns.

Senator KENNEDY. You are presuming that they are lying and that they made false statements and they are trying to explain what they did with the money themselves. Is that the charge you are making?

Mr. KABERLEIN. That is correct.

Senator KENNEDY. There is no possibility that you received the money, that they gave it for the purposes they described? There is no such fund and you never received the money and they are the ones who are lying? There is no misunderstanding about it; is that correct?

Mr. KABERLEIN. I received no money from either party.

Senator KENNEDY. And you never had a conversation about it?

Mr. KABERLEIN. Never had any conversation about money.

Senator KENNEDY. There is no chance of their having given you the money for the purpose described?

Mr. KABERLEIN. They have not given me any.

Senator KENNEDY. There was no such fund?

Mr. KABERLEIN. No such fund at that time.

Senator KENNEDY. What do you say?

Mr. CRONIN. Senator, I heard Mr. Johnson testify and never in my life have I heard such lies as I heard him swear to about paying \$50 for every apprentice. That is an unmitigated lie. I say that under oath.

I also would like to explain, if I may, how he went into business.

Senator KENNEDY. That would be fine, but I would like to ask you: You deny receiving not only the \$50, but also that he gave you any money. There is no chance that he gave you the money for this fund that you described?

Mr. CRONIN. He didn't give me any money at any time.

Senator KENNEDY. If there was a fund in effect at that time, any money he gave you was not for such a fund? There is no chance there is any misunderstanding about it, that you received money from him for a fund?

Mr. CRONIN. He didn't give me money for anything.

I would like to verify this. Mr. Johnson worked for one of our ventilating companies, and went in business with a partner. He didn't go into business himself. He went in business with a man named Borg. I don't know how long he was in business, but without any explanation to us, which may not be necessary, he left Borg and went into business for himself.

We didn't know at the union that he went into business. He never came near us to tell us he went into business.

The CHAIRMAN. Is that required?

Mr. CRONIN. Sir?

The CHAIRMAN. Is that required, that he must come to you before he goes into business?

Mr. CRONIN. If he needs sheet-metal workers it is required, if he is going to open up a union shop, and he has men he wants to initiate into the union.

The CHAIRMAN. A man can't, in other words, open up a shop and hire union men without consulting you?

Mr. CRONIN. Yes, he can. But, Senator, many times these men will want to open up a shop and they will want men who don't belong to the union to work for them. In that case, they must pay an initiation fee, as I have told you before.

Senator KENNEDY. Mr. Chairman, I would like to find out about that from Mr. Cronin.

You say if they want to hire people who are not members of the union, they must pay an initiation fee?

Mr. CRONIN. I know the law now, Senator. They have to wait 30 days to go in. But in those years—

Senator KENNEDY. Then you let them join the union if they pay the initiation fee of what?

Mr. CRONIN. It all depends. 100 working hours. Whatever the scale was at that time.

Senator KENNEDY. In my opinion, Mr. Cronin, that is much too much. If you are going to demand that a man join a union after 30 days, then I don't think you should charge him \$375 to join the union, particularly when the work may not be work which endures for a long period of time.

Mr. CRONIN. That I tried to explain yesterday. I guess I didn't make it clear. I can't today. But for many, many years the initiation fee in the Sheet Metal Workers Union has been 100 working hours. That is for construction work.

There are many parts of our international union that hire industrial workers or production workers and the initiation fee is not that much. But that does prevail in the building trades.

Senator KENNEDY. Well, I am giving you my opinion as a member of the Labor Committee that that is much too much money, \$375, to be compelled to join the union and then have to be compelled to pay \$375. That is an awful lot of money.

Mr. CRONIN. I can only say that is a matter of opinion.

Senator KENNEDY. I agree with that. You say if he needs sheet-metal workers he has to come to you, if he is going into business; is that correct?

Mr. CRONIN. No, he doesn't have to come to us for sheet-metal workers. We have never, in the history of local 73, had a hiring hall

arrangement. Any man carrying a card in this union can go to work. By your law now he can go to work for them whether he has a card or not. But never did we insist that the contractors come down and hire men to go to sleep on a job, as Mr. Johnson mentioned this morning. We have about 500 men out of work now. Many of our contractors, if they want sheet-metal workers, do call us. But they are not required to.

Senator KENNEDY. In other words, there is no reason why they couldn't go out and hire some people, have them join the union at the end of 30 days, instead of hiring your unemployed sheet-metal workers?

Mr. CRONIN. Well, there is no reason for them to do it, but they do it, and there is nothing we can do about it.

Senator KENNEDY. No attempt?

Mr. CRONIN. No, sir.

Senator KENNEDY. The Congress, as you know, Mr. Cronin, has been considering making it somewhat easier for employers and employees in the construction business to work out agreements because the 30 days' dues present a problem, particularly in many of the construction projects which do not take a long time to develop.

It doesn't make me very happy to consider liberalizing that part of the law if you are going to charge \$375 to join the union when the work may not last for a long period of time.

It seems to me excessive. If that is the custom, I think the custom ought to be changed in view of the fact that wages have gone up so much.

Mr. CRONIN. Well, we don't charge them the \$375 at one time. We can charge them \$375 immediately if they have it. And if they haven't got it, we give them a year to join after the 30 days.

Senator KENNEDY. Particularly in view of the fact that there are seven officers who are averaging \$20,000 a year minimum in this local of 4,000 men, of which 500 are unemployed today.

How many officers are there totally, and business representatives, et cetera, of this local?

Mr. KABERLEIN. A total of seven.

Senator KENNEDY. That includes all officers?

Mr. KABERLEIN. All officers.

The CHAIRMAN. Does that include the president and secretary-treasurer?

Mr. KABERLEIN. Correct.

The CHAIRMAN. Just seven?

Mr. KABERLEIN. Seven.

The CHAIRMAN. Mr. Cronin, I was intrigued with one of your statements. You said that Mr. Johnson's testimony was the biggest lie you ever heard. I wondered if you compared that with the testimony of Mr. Burrows yesterday, and Mr. Tapper. How do you make the comparison?

Mr. CRONIN. I think they are about all equal.

The CHAIRMAN. Then this is not the biggest. Mr. Johnson's is not the biggest?

Mr. CRONIN. Just, let's say, one of the biggest.

The CHAIRMAN. I wanted to get it in the right proportions.

Mr. KENNEDY. There have been four individuals so far, Mr. Cronin, that have testified to the fact that they have given you money.

Mr. CRONIN. I heard them.

Mr. KENNEDY. And a fifth individual who said he gave either you or one of the other business agents money. He was uncertain. So you have had four and possibly five individuals who testified before this committee, contractors, that they paid money to you. Are all of them lies?

Mr. CRONIN. That is right.

Mr. KENNEDY. What about the bidding? Did you ever tell any of these contractors that they should not enter into any particular bid?

Mr. CRONIN. No, sir; absolutely not.

Mr. KENNEDY. So those are lies also by Mr. Tapper?

Mr. CRONIN. That is right.

Mr. KENNEDY. By Mr. Johnson?

Mr. CRONIN. Yes, sir.

Mr. KENNEDY. And Mr. Jolicoeur; is that right?

Mr. CRONIN. I don't know anything about Mr. Jolicoeur. I don't think I ever met the man in my life.

Mr. KENNEDY. So his testimony is false also on the bidding?

Mr. CRONIN. As far as I am concerned, about his getting any message from me, it is.

Mr. KENNEDY. You never told him he should not bid on any contracts?

Mr. CRONIN. That is right.

Mr. KENNEDY. You never called Mr. Johnson down to the office and got angry at him because he had bid on contracts?

Mr. CRONIN. Called Johnson to the office?

Mr. KENNEDY. Yes.

Mr. CRONIN. No, sir; I didn't. I never called him to the office.

Mr. KENNEDY. Did you ever call Mr. Johnson from Florida and tell him not to bid on a contract?

Mr. CRONIN. I can't remember ever calling him from Florida.

Mr. KENNEDY. Why would you call him from Florida?

Mr. CRONIN. I don't know.

Mr. KENNEDY. Did you call Mr. Johnson?

Mr. CRONIN. I don't think I did. I can't recall ever calling anyone from Florida with regard to business.

Mr. KENNEDY. He said you called him from Florida.

Mr. CRONIN. If he said I called him, I will have to deny it, because I don't remember calling him.

Mr. KENNEDY. You don't remember calling him?

Mr. CRONIN. That is right.

Mr. KENNEDY. That would be something you would remember, if you called a small contractor in Chicago, called him from Florida. There must be some reason that you called him.

Mr. CRONIN. I don't remember calling him, Mr. Kennedy. As far as I am concerned, I didn't call him.

Mr. KENNEDY. What would you have called him about if you called him?

Mr. CRONIN. I wouldn't have any idea.

Mr. KENNEDY. I would think that would be a very unusual occurrence, if you were down in Florida having a vacation and you called Mr. Johnson on the telephone. Do you deny that you called him?

Mr. CRONIN. I deny that I called him.

Mr. KENNEDY. How much money do you receive from the union, Mr. Cronin?

Mr. CRONIN. \$350 a week.

Mr. KENNEDY. What about expenses?

Mr. CRONIN. I think it is \$258 a month.

Mr. KENNEDY. The same as the other gentleman?

Mr. CRONIN. That is right.

Mr. KENNEDY. \$258 a month. Do you receive any other money from the union?

Mr. CRONIN. I am paid \$800 a year by the international and \$25 a day when I attend executive board meetings or go on any mission that they might send me on.

Mr. KENNEDY. Would you identify these checks, Mr. Cronin, please?

The CHAIRMAN. Mr. Cronin, I present to you a check dated October 30, 1952, payable to the order of M. E. Garvey, trustee. It is drawn on Sunbeam Heating & Air Conditioning Co.

I ask you to examine that photostatic copy and state if you can identify the check. The check appears to be endorsed by M. E. Garvey, trustee, and by Marie Garvey. It has a notation, "Received cash."

Will you examine that check and state whether you identify it?

(The document was handed to the witness.)

(The witness conferred with his counsel.)

The CHAIRMAN. Do you identify that check?

Mr. CRONIN. I don't think I ever saw the check before.

The CHAIRMAN. Do you know anything about it?

Mr. CRONIN. No.

Mr. KENNEDY. Do you know who the individual is?

Mr. CRONIN. M. E. Garvey?

The CHAIRMAN. Yes.

Mr. CRONIN. Yes. He works for George Sullivan.

The CHAIRMAN. Who is George Sullivan?

Mr. CRONIN. He is an attorney in Chicago, and owner of this company, I believe.

The CHAIRMAN. And owner of that company?

Mr. CRONIN. That is right.

The CHAIRMAN. Who is Marie Garvey?

Mr. CRONIN. Well, I think she is his secretary.

The CHAIRMAN. His secretary. Did you receive any of that money?

Mr. CRONIN. We went into something, Senator. I am not going to say that I didn't receive money. I received money as dividends for a transaction that was made some years ago. I have identified all of that to the Internal Revenue.

I can't distinguish this check from any other. This check is not made to me, so I deny any connection with that check whatsoever.

The CHAIRMAN. All right. That check may be made exhibit No. 12. (Document referred to was marked "Exhibit No. 12" for reference and will be found in the appendix on p. 15943.)

The CHAIRMAN. You deny any connection with that check, whatsoever; is that correct.

Mr. CRONIN. That is correct.

The CHAIRMAN. And the owners of it, or any of the funds that it covers; is that correct?

Mr. CRONIN. That is correct.

The CHAIRMAN. Now, I present to you another check, dated October 31, 1952, in the amount of \$2,500, made payable to the order of A. H. Cronin. The check is signed "Marie Garvey." It says, "Trustee for dividend on stocks of Sunbeam Heating & Air-Conditioning Co."

I ask you to examine this check. It appears that you endorsed it and said, "Pay to the order of Merchants National Bank," in Chicago, "for deposit only."

I ask you to examine that check and see if you identify it.
(Document handed to the witness.)

(Witness conferred with his counsel.)

Mr. CRONIN. Yes. That is a dividend check. I received that.

The CHAIRMAN. You received that money. All right.

That check may be made exhibit No. 13.

(Document referred to was marked "Exhibit No. 13" for reference and will be found in the appendix on p. 15944.)

The CHAIRMAN. I note some significance here in that this check that was made exhibit No. 12 was finally endorsed and the money received in cash by Marie Garvey.

Mr. CRONIN. I wouldn't know anything about that.

The CHAIRMAN. I note then the following day, apparently the same Marie Garvey, if we can compare signatures, gave you this check for \$2,500.

Mr. CRONIN. That was a dividend that I received. I don't know anything about the other check. Nothing whatever.

The CHAIRMAN. Did you declare that dividend on your income tax?

Mr. CRONIN. I think I did. Well, I had two, then, Senator. I received two dividend checks, one of which I received and one of which I inadvertently did not report.

The CHAIRMAN. How much was the amount of the other?

Mr. CRONIN. The other one was \$2,500.

The CHAIRMAN. So you received two \$2,500 dividend checks from this same company?

Mr. CRONIN. Yes, but not at the same time, not that close together.

The CHAIRMAN. I understand. But what was the occasion for the dividend check that you were entitled to receive going through this circuitous route to get to you?

Mr. CRONIN. I had stock in the company.

The CHAIRMAN. I understand. But they ordinarily make the check to the stockholder.

Mr. CRONIN. That check is made to me.

The CHAIRMAN. Yes; but it is from an individual.

Mr. CRONIN. Well, apparently she signs it as trustee.

The CHAIRMAN. No, she did not sign it as trustee. It is on her individual account.

Mr. CRONIN. I can't explain that.

The CHAIRMAN. The Sunbeam check was made to M. E. Garvey, trustee. Was that stock held in your name or was it held by Marie Garvey for you?

(Witness conferred with his counsel.)

Mr. CRONIN. I don't remember that. When your investigators the other day told me, or you told me yesterday, to bring my personal affairs down, you mentioned something about bringing the details with regard to my investments in that company, which you gave me until Monday, the 8th, to do. I would like to have time to look over that.

The CHAIRMAN. I will be glad to give you time, but in the meantime, I wanted to interrogate you with respect to this.

Was the other \$2,500 check from the same company, or a dividend from the same company?

Mr. CRONIN. I wouldn't know that. The only one I know anything about, Senator, is the one that she gave me or that I cashed.

The CHAIRMAN. Which one did you report on your income tax, this one or the other one?

Mr. CRONIN. That I can't say. I don't know. But I have reported it since.

The CHAIRMAN. I understand that you did not report this one.

Mr. CRONIN. I don't know. But I did deposit both of them in my account, and I missed reporting one. I do know that. But I did report the other one and then I paid. I reported the one later and paid on it.

The CHAIRMAN. Why was this stock dividend handled in this fashion, paid to a trustee and then by the trustee to you?

Mr. CRONIN. I don't know.

The CHAIRMAN. You have no explanation of it?

Mr. CRONIN. I have no explanation whatsoever.

The CHAIRMAN. Was it a device to conceal your ownership in the company?

Mr. CRONIN. No, sir.

The CHAIRMAN. Was your ownership in the company generally known?

Mr. CRONIN. I don't think it was, no.

The CHAIRMAN. Was this company a competing company to other companies that were in this air-conditioning business covered by the Sheet Metal Workers?

Mr. CRONIN. Well, it was competing with about 300 other companies, yes.

The CHAIRMAN. It was one of the competing companies. How much stock did you own for which you received——

Mr. CRONIN. That I would have to refer to my records on. I couldn't tell you offhand.

The CHAIRMAN. I trust you will refer to your records and bring us that information. Was this one annual dividend?

Mr. CRONIN. I think we received \$5,000 altogether, two \$2,500 checks.

The CHAIRMAN. Was that for 1 year's dividends?

Mr. CRONIN. I think it was 2 years.

The CHAIRMAN. Bring your books so we can determine.

What percentage of the stock of that company did you own at the time?

Mr. CRONIN. I couldn't tell you that.

The CHAIRMAN. This is one of the larger companies, is it?

Mr. CRONIN. Are you asking me a question?

The CHAIRMAN. Yes.

Mr. CRONIN. I wouldn't say it was; no.

The CHAIRMAN. What would you call it as compared to the general run of those companies in that business?

Mr. CRONIN. Well, it is a little company, Senator, that goes up and down. Some of those companies will get projects and they will hire quite a few men, and this year or the next year they will be down.

The CHAIRMAN. You get your records and try to make further explanation of this when you return next week.

Mr. KENNEDY. Did you ask Mr. Johnson to your daughter's wedding?

Mr. CRONIN. I did not.

Mr. KENNEDY. So his testimony regarding his being invited to the wedding is not correct?

Mr. CRONIN. Sir?

Mr. KENNEDY. I believe he testified that he was invited to the wedding.

Mr. CRONIN. No; he wasn't.

Mr. KENNEDY. He was not invited to the wedding?

Mr. CRONIN. No.

Mr. KENNEDY. What about his partner? Did you invite the partner?

Mr. CRONIN. No.

Mr. KENNEDY. Did his partner send a present to your daughter?

Mr. CRONIN. Not that I remember, Mr. Kennedy.

Mr. KENNEDY. Did Mr. Johnson ever give you some cuff links?

Mr. CRONIN. No; he didn't.

Mr. KENNEDY. He did not. So his testimony that he gave you cuff links is not correct either?

Mr. CRONIN. That is not correct.

Mr. KENNEDY. Could you give to the committee a list of the gifts that you received from contractors?

Mr. CRONIN. No; I couldn't. I don't think I ever received any gifts.

Mr. KENNEDY. You never received any gifts?

Mr. CRONIN. Well, I think I received the fruit of the month, and maybe some whisky, or something like that. But, personally, I don't want any gifts, and I don't receive them. I don't take them.

Mr. KENNEDY. Did you ever receive any money or anything of value directly or indirectly from any contractor?

Mr. CRONIN. No, sir.

Mr. KENNEDY. Did you ever receive any money directly or indirectly from the Sheet Metal Contractors Association?

Mr. CRONIN. Absolutely not.

Mr. KENNEDY. Did you ever receive any money directly or indirectly from the representative of either the contractors or the contractors association?

Mr. CRONIN. No, sir.

Mr. KENNEDY. Did you ever receive any money or anything of value, directly or indirectly, from the Air Conditioning Contractors Alliance?

Mr. CRONIN. No, sir.

Mr. KENNEDY. Did you ever receive anything of value directly or indirectly from the Ventilating and Air Conditioning Contractors Association?

Mr. CRONIN. No, sir.

Mr. KENNEDY. Did the Ventilating and Air Conditioning Association ever offer you a free vacation trip to Florida?

Mr. CRONIN. Did they what?

Mr. KENNEDY. Ever offer you a free vacation trip to Florida?

Mr. CRONIN. They invited me down to attend their meeting.

Mr. KENNEDY. When was that?

Mr. CRONIN. I don't remember the year.

Mr. KENNEDY. Did you go?

Mr. CRONIN. I didn't go, and I didn't accept the invitation.

Mr. KENNEDY. When was that?

Mr. CRONIN. I don't know; it was a few years ago.

Mr. KENNEDY. Weren't you invited down in May of this year?

Mr. CRONIN. I was.

Mr. KENNEDY. And your wife also?

Mr. CRONIN. She was.

Mr. KENNEDY. You didn't attend that?

Mr. CRONIN. No, sir.

Mr. KENNEDY. That was from the Sheet Metal and Air Conditioning Contractors; is that right?

Mr. CRONIN. I believe it was; yes.

Mr. KENNEDY. Did you have any explanation as to why these four witnesses and possibly five witnesses, should testify that they paid you money?

Mr. CRONIN. I haven't any idea.

Mr. KENNEDY. Did you ever hear of this situation, where \$300 or \$400, approximately, would have to be paid by small contractors if they wanted to set up business?

Mr. CRONIN. No, sir.

Mr. KENNEDY. All of this testimony is incorrect?

Mr. CRONIN. That is right.

Mr. KENNEDY. I will tell you, Mr. Cronin, we went around to these contractors and they didn't know we had talked to any of the others, and they all gave us the same story, and I would say two out of every three contractors that we talked to in Chicago at least that many, told us the same situation, of having to pay this money, and none of them knew that we had talked to any other contractors, and we just went in and asked them the questions, and they came in and gave us the story, and we are going to have some more contractors now.

Mr. CRONIN. You have about 600 contractors in the Chicago area.

Mr. KENNEDY. We haven't got the staff to go to all of them.

The CHAIRMAN. The Chair yesterday announced that this record, when the sharp conflict arose between the testimony of Mr. Cronin and Mr. Burrows, that that record would be sent to the Justice Department. It is perfectly apparent now that the whole record of this particular series of investigations, particularly with relation to the operations of local 73, Mr. Cronin's activities and others who have been testifying here, will go to the Justice Department for its attention and for appropriate action.

I am convinced that there is certainly willful perjury, and I might agree with you, some of the biggest lies I have heard possibly in a long time have been testified to here under oath. It is an imposition upon the Government of the United States to have people come before

this committee and willfully and deliberately lie or give false testimony. It is a crime, and it is a crime that should be punished, and I am urging the Justice Department to take whatever immediate and appropriate action to pursue it to the end that justice may be administered, and those who are guilty punished.

The committee will stand in recess until 1:45 p. m.

(Thereupon, at 12 noon, the committee recessed, to reconvene at 1:45 p. m., the same day.)

AFTERNOON SESSION

The CHAIRMAN. The committee will come to order.

(Members of the select committee present at reconvening: the chairman and Senator Kennedy.)

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. Mr. Genc.

The CHAIRMAN. Be sworn, please.

You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. GENC. I do.

TESTIMONY OF EMIL GENC

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. GENC. My name is Emil Genc. I live at 5128 West North Avenue. My occupation is heating contractor. My business is at 5469 West North Avenue. I am operating under Round Oak Sales & Service, heating contractors.

The CHAIRMAN. Heating contractor?

Mr. GENC. Yes.

The CHAIRMAN. You waive counsel, do you, Mr. Genc?

Mr. GENC. Pardon?

The CHAIRMAN. You waive counsel? You do not desire an attorney to represent you?

Mr. GENC. No, sir; I don't think I need any.

The CHAIRMAN. Thank you very much.

Proceed, Mr. Kennedy.

Mr. KENNEDY. You spell your name G-e-n-c?

Mr. GENC. Correct.

Mr. KENNEDY. And the name of your company is Round Oak Sales & Service Co.?

Mr. GENC. Yes, sir.

Mr. KENNEDY. West North Avenue, Chicago, Ill.?

Mr. GENC. Right.

Mr. KENNEDY. How many employees do you have?

Mr. GENC. Thirteen.

Mr. KENNEDY. You have been in business since about 1927?

Mr. GENC. That is correct.

Mr. KENNEDY. On these 13 employees, 5 of them are sheet-metal workers?

Mr. GENC. Correct.

Mr. KENNEDY. You didn't open a union shop until 1953; is that right?

Mr. GENC. My intention was opening a union shop in 1953, and one day I decided I am going to join the union. So I get on the telephone and I call the local 73 and talk to a lady up there and I told her I would like to join the union. She said, "All right." She made arrangements for me, and a couple of men are going to come in and inspect my shop, which they did. A few days later I had Mr. Ray Caldwell, with another gentleman, come in, inspect my premises.

They come in my shop. I have a very nice shop. However, they are going to make an arrangement for me to come in the office, to the local 73. So one day Mr. Ray Caldwell called me up and wanted to know if I can make it, and he set the day and I went over on Jackson Boulevard to the union headquarters.

I was directed to a room with a gentleman there, which I was under the impression was Mr. Tracy.

The CHAIRMAN. Mister who?

Mr. GENC. Mr. Tracy. I never met the gentleman. I never met there Harry Cronin in my life. I hear a lot about him. So we sat down with who I thought was Mr. Tracy. He told me did I know the rules and regulations of a union in order to operate a union shop? I told him I know some. But he later read the regulation down to me. He said for every seven mechanics we have to have two helpers—one helper.

The CHAIRMAN. For every seven what?

Mr. GENC. For every seven men we have to have one helper.

The CHAIRMAN. For every seven sheet-metal workers—

Mr. GENC. We are only allowed to have one helper.

The CHAIRMAN. One helper?

Mr. GENC. That is correct. I was very amazed. I point out to him there are lots of companies in Chicago operating where they don't even have or haven't had union shop, which I know—it is Holland Furnace Co. He told me not to worry about them, he would take care of them, to just worry about myself.

I agreed to all his agreements, all his specifications and I said to him, "All right, let's be all through." After he give me his—excuse me. I am getting ahead of myself.

The CHAIRMAN. Who was the man you were talking to?

Mr. GENC. Well, I discovered yesterday morning it was Mr. Harry Cronin.

The CHAIRMAN. You thought at the time it was Mr. Tracy?

Mr. GENC. That is correct.

The CHAIRMAN. But you have seen Mr. Cronin here?

Mr. GENC. Yesterday in the hall on the first floor, in a corner. He was sitting there all alone. I asked him where he was from, and he said Chicago. Then I knew right away who I was talking to at that time. It wasn't Mr. Tracy. I still thought it was Mr. Tracy until he was here and he introduced himself as Mr. Cronin.

The CHAIRMAN. You recognize Mr. Cronin who was here yesterday as the party you were talking to?

Mr. GENC. That is correct.

The CHAIRMAN. He is the one you had the conversation with there in the union hall?

Mr. GENC. That is correct.

The CHAIRMAN. Proceed.

Mr. GENC. After we got all through, I said, "All right, let's sign the agreement; I want to get out of here." And he said, "Wait a minute, not so fast. That will cost you \$400. Have you got \$400 on you?"

I said, "No, I don't carry that kind of money with me, but I will mail you a check."

He said, "No, we don't take checks. That must be cash."

I said, "What is that for?"

He said, "Every contractor pays that. Don't act so surprised. You probably know it."

The CHAIRMAN. He told you not to act surprised?

Mr. GENC. Yes, sir.

The CHAIRMAN. That all the contractors knew they had to pay?

Mr. GENC. They pay it. And he said it goes according to the shops, with sometimes even more. He said but he would make an arrangement for picking up the money. So I went back to the office, to the shop. I don't hear anything for about 3 or 4 months. Then once one gentleman came in and he said, "I am from local 73." He said, "I come over here, I guess you know, to pick up the money. Harry sent me."

I said, "Well, that is perfectly all right. I am willing to give you the money."

He said, "Wait. We have four BA's on the street."

The CHAIRMAN. Four what?

Mr. GENC. Business agents on the street. He called them BA's.

The CHAIRMAN. Business agents?

Mr. GENC. Yes. He said, "I want \$400 for each one of them."

The CHAIRMAN. \$400 for each of the four?

Mr. GENC. Yes. So I got violent and shoved him off and got mad. The man turned around. He walked out of the shop and by the time I got to the office he was gone. Then I didn't hear anything from anybody until, from 1954, until I started building my own building. When I started building my own building once on Wednesday afternoon I walked in and I see all the union there, except the bricklayers and plumbers, every one of the two or three business agents are on the corner and Mr. Ray Caldwell asked me, he said, "Who the heck tell you or give you any idea you can build a building?"

The CHAIRMAN. "Who in the heck told you you could build a building?"

Mr. GENC. Yes. I said, "Nobody did. Why?"

He said, "Who is going to do your heating?"

I said, "I am a heating contractor. I will do it myself."

He said, "You will like hallelujah." He said, "I will show you who will do your job. I will stop the job."

I said, "That is kind of silly. I am a heating contractor. Do you mean to tell me I can't put my heating in my own building?"

He said, "Heck no; I will show you that you cannot."

Well, in the meantime another businessman came in, Mr. Sullivan, head of the Building Trades Union, and he said, "Why in the heck don't you join the union?"

I said, "I want to, but I was asked for \$400, and then somebody come in collecting \$1,600. How do I know if they are not going to come in for some more later on?" I said, "I am not going to join anybody." I said, "I would join a union providing I don't pay any money."

He was very much amazed. Mr. Ray Caldwell told him, Mr. Sullivan, I was a damn liar; I had no proof. That was it. They did stop my work and I have to go through lots of pain.

The CHAIRMAN. They did what to your work?

Mr. GENC. I said they did stop the building.

The CHAIRMAN. They did stop it?

Mr. GENC. Yes; they did.

The CHAIRMAN. Stopped work?

Mr. GENC. Stopped work on my building. They make the iron workers pull out of there; they make the electricians pull out of there. The bricklayers were the only union where they were so sure I was on the up and up, because we had all union help. There was nobody working on the building from then when they stopped. The electricians were union, the bricklayers were union, the steelworkers were union. The only fellows who were nonunion, and we didn't do any work at that time on the building, was us.

Then we finally were compelled to finish up the building ourselves. When we called the union, the contractor, the Hamilton Gas Co. in Chicago, asking when they were going to put our gas in, they told us they were stopped by the union, that I should get myself straightened out with the Sheet Metal Workers.

I told them there was nothing to straighten up. So I went over to see Mr. David from the Hamilton Gas Co. and he told me, he said, "What the heck, why don't you pay off the \$1,600 and get yourself straightened out?"

The CHAIRMAN. \$1,600?

Mr. GENC. Yes. I don't know where he got it from, or how he got it, but exactly that is what they told me. Finally a couple of months later, Mr. Ray Caldwell called me on the telephone. He said, "Emil, you haven't got the gas and the windows yet." I told him we are just making a contract with a nonunion contractor to put the gas in. He said, "Well, I have released your job."

The CHAIRMAN. He what?

Mr. GENC. That he would release our job. He said he would call off the stop. About 10 minutes later I got a call from the Hamilton Gas Co. and they asked us if they can install our gas. I told them as long as I didn't sign up with any other contractor yet they should go ahead and do so.

The CHAIRMAN. Did you ever pay the \$1,600?

Mr. GENC. No, sir; I didn't pay a dime to anybody.

The CHAIRMAN. Who was the first one that demanded money of you?

Mr. GENC. Mr. Harry Cronin.

The CHAIRMAN. Mr. Cronin, the witness who testified here?

Mr. GENC. Yes, sir.

Mr. KENNEDY. How were you able to identify him?

Mr. GENC. Well, I saw him yesterday in the morning. I didn't think that was him. I thought it was Mr. Tracy until he come over here and sat down to testify. He is the gentleman I talked to.

Mr. KENNEDY. He is the gentleman?

Mr. GENC. Yes, sir.

Mr. KENNEDY. Initially you had thought it was Mr. Tracy?

Mr. GENC. That is correct.

Mr. KENNEDY. You thought that the man you talked to was Mr. Tracy?

Mr. GENC. Yes, sir.

Mr. KENNEDY. But seeing him here yesterday you were able to identify him?

Mr. GENC. Yes, sir.

The CHAIRMAN. And he told you that all the contractors did that?

Mr. GENC. That is correct.

The CHAIRMAN. So it wasn't just one here or there. His representations to you were that they all had to pay?

Mr. GENC. That is right.

Mr. KENNEDY. Who was the business agent that came back to collect the money?

Mr. GENC. I wouldn't know. I wouldn't know if he was business agent or who he was. He isn't in the room. I couldn't point him out.

Mr. KENNEDY. You could not?

Mr. GENC. No, sir.

Mr. KENNEDY. You don't know who that was?

Mr. GENC. No, sir.

The CHAIRMAN. You do know because you wouldn't pay the \$1,600 they stopped your work and you had to finish the building yourself?

Mr. GENC. Well, I thought that was the general idea.

The CHAIRMAN. At least they stopped the work?

Mr. GENC. That is correct. I was stopped entirely.

The CHAIRMAN. And you were asked for \$1,600 then?

Mr. GENC. That is correct.

Mr. KENNEDY. That is all.

The CHAIRMAN. All right. Thank you very much.

Call the next witness.

Mr. KENNEDY. Mr. Chairman, we have had a witness by the name of Mr. Tapper who testified regarding payments to Mr. Cronin. Mr. Cronin testified this morning that Mr. Tapper's testimony was false, that he had never received any money from Mr. Tapper nor did he ask any money from Mr. Tapper.

Mr. Tapper testified that he went to Mr. Cronin's home. I would like to recall Mr. Tapper to see if he can give any other supporting testimony.

The CHAIRMAN. Mr. Tapper, come forward, please.

You will remain under your same oath as when you testified yesterday.

TESTIMONY OF WARREN A. TAPPER—Resumed

Mr. TAPPER. Yes, sir.

The CHAIRMAN. Since your testimony yesterday and since Mr. Cronin has denied that he received any money from you, have you made a search of your records to ascertain if you had any notation or memoranda, anything in connection with that transaction?

Mr. TAPPER. Yes, sir; I checked back through the petty cash fund for several months covering that period, and I found the notation where \$250 in cash had been charged as a business expense, with a note that it had been paid to the Sheet Metal Workers Union.

The CHAIRMAN. I hand you here some memorandums, quite a number of them—bills, statements, and so forth. I will ask you to examine this in bulk and see if you identify the package of memorandums that I am handing you.

(The documents were handed to the witness.)

Mr. TAPPER. These are the various petty cash amounts paid out during the month of August 1949.

The CHAIRMAN. August 1949?

Mr. TAPPER. Yes, sir.

Here is one ticket in here marked "Sheet Metal Workers Union, \$250." It is dated August 31, 1949.

The CHAIRMAN. Whose handwriting is that in?

Mr. TAPPER. It is in my secretary's handwriting.

The CHAIRMAN. Did you instruct her to write that?

Mr. TAPPER. She handled the cash box and she counted the money out to me and wrote up this voucher.

The CHAIRMAN. You told her to whom the money was being paid?

Mr. TAPPER. I told her what it was for and who it was to be paid to.

The CHAIRMAN. Did you have that record in mind when you testified yesterday? I mean did you know you had that receipt yesterday?

Mr. TAPPER. Yes; I knew I had the receipt.

The CHAIRMAN. You didn't have it with you at the time?

Mr. TAPPER. That is right.

The CHAIRMAN. So you do have that memorandum?

Mr. TAPPER. I have this memorandum; yes, sir.

The CHAIRMAN. The other material there—are those memorandums of other cash payments out of petty cash and so forth?

Mr. TAPPER. This is the entire petty cash, the payouts, for the month of August 1949.

The CHAIRMAN. Your full records for that month of cash expenditures?

Mr. TAPPER. The full records of cash paid out of the cash box.

The CHAIRMAN. I see.

Let that package of memorandums and receipts be made exhibit No. 14, in bulk, with special emphasis on the notation of cash paid out to the union in the amount of \$250 to which the witness has testified.

(Documents referred to were marked "Exhibit No. 14" for reference and may be found in the files of the select committee.)

The CHAIRMAN. What is the date of that cash payment?

Mr. TAPPER. August 31, 1949.

The CHAIRMAN. August 31, 1949?

Mr. TAPPER. Yes, sir.

Mr. KENNEDY. Yesterday, I believe you testified that it was made in September. Is that right? It was in 1949. Was that your recollection?

Mr. TAPPER. I wouldn't know the exact date. The latter part of August or the first few days of September.

Mr. KENNEDY. When we first came to you, Mr. Tapper, you didn't understand that we were making an investigation of your income tax returns, did you?

Mr. TAPPER. No, sir.

Mr. KENNEDY. It was suggested this morning that possibly you contractors have come in here and testified that you gave this money because of the fact that you wanted to explain certain of your books and records away, the payments that you had made, on your income tax returns.

There was never any discussion of that whatsoever, was there, Mr. Tapper?

Mr. TAPPER. There was never any such idea.

Mr. KENNEDY. In fact, if you hadn't given us this receipt of \$250, or the slip showing the \$250 payment, we would never have known about it; is that correct?

Mr. TAPPER. That is right, sir.

Mr. KENNEDY. So this was information that we obtained from you after an interview was conducted with you to find out if you know anything about payments to any union officials?

Mr. TAPPER. That is correct.

Mr. KENNEDY. And then you gave us that information?

Mr. TAPPER. Yes, sir.

Mr. KENNEDY. This was not us coming in and saying, "We understand that back in 1949 you paid \$250 that you are trying to hide"?

Mr. TAPPER. No, sir; that was not it.

Mr. KENNEDY. And your testimony is correct; is that right?

Mr. TAPPER. Yes, sir.

Mr. KENNEDY. And when Mr. Cronin denied it this morning under oath before the committee, his testimony was incorrect?

Mr. TAPPER. His testimony was incorrect.

Mr. KENNEDY. You stated, did you not, that you went to his home?

Mr. TAPPER. I went to his home on two occasions.

Mr. KENNEDY. Can you describe his home at all?

Mr. TAPPER. Well, it was a bungalow type of building in the Austin district of Chicago, either Mason Avenue, or Marmora, one of those streets in there, south of North Avenue. It was a bungalow situated on the west side of the street.

I was conducted back into the kitchen or breakfast nook area where we sat at a table and discussed these things.

Mr. KENNEDY. You sat at a table in the breakfast room?

Mr. TAPPER. In the breakfast area.

Mr. KENNEDY. Was the breakfast room right in the——

Mr. TAPPER. You came in the front door, a large living room, with a hallway leading back to the kitchen, and through the kitchen into this breakfast room, which was on the far end of the building.

Mr. KENNEDY. Mr. Cronin states that you were never in his home.

Mr. TAPPER. I was in his home on two occasions.

Mr. KENNEDY. Did anybody drive to his home on either one of those occasions?

Mr. TAPPER. I had a salesman with me who sat out in the car while I was in with Mr. Cronin at the time the money was paid.

Mr. KENNEDY. You have furnished the name of that salesman to the committee, have you not; to the staff?

Mr. TAPPER. I have given his name; yes.

Mr. KENNEDY. We are contacting him.

The CHAIRMAN. I merely wanted to ask you one other question. Are these memorandums of cash expenditures, these slips, this package you have handed me, are they all the originals and were they made at the time?

Mr. TAPPER. They are all the originals, which were packed away with other old records.

The CHAIRMAN. In other words, these are the receipts or memorandums that were actually made during the month of August 1949?

Mr. TAPPER. The box that they were in had not been opened since they were packed away, approximately January 1, 1950, until a few weeks ago when we started going through the boxes, looking for those records.

The CHAIRMAN. Thank you very much.

Mr. KENNEDY. Thank you very much.

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. James L. Moore.

The CHAIRMAN. Be sworn, please.

You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MOORE. I do.

TESTIMONY OF JAMES L. MOORE

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. MOORE. James L. Moore. I live at 1551 North Wilkie Road. I have the James Moore Heating Co.

The CHAIRMAN. Is that in Chicago?

Mr. MOORE. That is in Des Plaines, Ill.

The CHAIRMAN. That is a suburb of Chicago, is it?

Mr. MOORE. Yes, sir.

The CHAIRMAN. You waive counsel, Mr. Moore, do you?

Mr. MOORE. Yes.

Mr. KENNEDY. Your name is spelled M-o-o-r-e; is that correct?

Mr. MOORE. Yes, sir.

Mr. KENNEDY. You formed a partnership in September of 1952? You started the Acme Heating Co.?

Mr. MOORE. Yes, sir.

Mr. KENNEDY. How many employees did you have at that time?

Mr. MOORE. Well, there was only two when we first started, but then we hired more men later.

Mr. KENNEDY. Shortly after you formed your company with a Mr. Wells—is that right?

Mr. MOORE. Yes, sir.

Mr. KENNEDY. Were you visited by a representative of the Sheet Metal Workers Union?

Mr. MOORE. Yes, sir.

Mr. KENNEDY. Could you tell us what happened then, who it was and what conversation took place?

Mr. MOORE. Well, there was two of them, Mr. Caldwell and Mr. Troutman.

Mr. KENNEDY. Mr. Caldwell, Ray Caldwell, and Mr. Shannon Troutman?

Mr. MOORE. Yes, sir.

Mr. KENNEDY. What conversation took place?

Mr. MOORE. Well, they asked how long we had been running a shop. They said, "It looks like you have been doing a lot of work. There is a lot of scrap laying in the building."

We had been working for maybe 2 months. They said we wasn't supposed to open up a shop without first going through the union hall. Then they said there would be this money to be paid in.

The CHAIRMAN. Would be what?

Mr. KENNEDY. He told you first that you shouldn't be setting up a shop without going to the union hall?

Mr. MOORE. That is right.

Mr. KENNEDY. Then he said in addition to that there was some money to be paid?

Mr. MOORE. Yes.

Mr. KENNEDY. Would you tell of the conversation about that?

Mr. MOORE. Well, he said, "You don't just start a shop," he said, "without you set it all up," with them first, "and then you pay the money."

Mr. KENNEDY. How much money did he say needed to be paid?

Mr. MOORE. Well, we paid \$300.

Mr. KENNEDY. Is that how much he asked for?

Mr. MOORE. Yes.

Mr. KENNEDY. Was there any discussion as to whether it would be by check or cash?

Mr. MOORE. Cash. No checks.

Mr. KENNEDY. He said it would just be cash. Which one asked for the money?

Mr. MOORE. I don't remember which one. There was two of them there.

Mr. KENNEDY. Did you pay them the cash?

Mr. MOORE. We did; yes. Not right away. We didn't have it that day. But we did later on.

Mr. KENNEDY. Where did you get the cash?

Mr. MOORE. Well, we hadn't been in business long enough to have a business account, so we each drew half of the money from our personal accounts and paid it.

Mr. KENNEDY. Each one of you drew \$150 from your personal accounts?

Mr. MOORE. Yes, sir.

Mr. KENNEDY. Then did you turn over the \$300? Who turned over the \$300?

Mr. MOORE. Well, I think I did. I am not sure. One of us did. I believe I was the one that did.

Mr. KENNEDY. To whom did you give the money?

Mr. MOORE. We just laid it on a workbench in the shop.

The CHAIRMAN. You what?

Mr. MOORE. We laid it on a workbench in the shop. I don't know who picked it up.

Mr. KENNEDY. Who was there at the time?

Mr. MOORE. Mr. Caldwell and Mr. Troutman.

Mr. KENNEDY. Was that the same time, the first visit?

Mr. MOORE. No. We didn't have the money that day.

Mr. KENNEDY. So they came back?

Mr. MOORE. Yes.

Mr. KENNEDY. You got the \$300 and you laid it on a bench in front of them?

Mr. MOORE. Yes, sir.

Mr. KENNEDY. And it was for them, the money was for them?

Mr. MOORE. Yes, sir.

Mr. KENNEDY. And they came by and picked it up?

Mr. MOORE. Yes, sir.

Mr. KENNEDY. They were present at the time you put the money down there?

Mr. MOORE. Yes, sir.

Mr. KENNEDY. What was the purpose of making the payment?

Mr. MOORE. Well, they said it was for like a fund in case you was ever in any trouble or you needed bailing out of jail or anything like that, that there would be money there for that purpose.

Mr. KENNEDY. If you got into any trouble or needed bail for jail, that was the fund they were raising for that purpose?

Mr. MOORE. Yes, sir.

Mr. KENNEDY. Why was it necessary to have it in cash?

Mr. MOORE. I don't know, sir.

Mr. KENNEDY. You knew that it was a payoff, did you not?

Mr. MOORE. I thought it was; yes, sir.

Mr. KENNEDY. Did you ever pay any other money to them?

Mr. MOORE. Well, not then, but about a year later we split up the partnership and I started a shop of my own. Then I had to add an additional \$150 to make it up to \$300 again.

Mr. KENNEDY. Would you tell us how that came about?

Mr. MOORE. Well, I started a shop and nobody was around for quite a while. Then they came around.

Mr. KENNEDY. Who came around?

Mr. MOORE. I believe Mr. Caldwell. They actually was both there, but it was two different trips then.

Mr. KENNEDY. But both of them came to your new shop?

Mr. MOORE. Yes, sir.

Mr. KENNEDY. That is Mr. Troutman and Caldwell?

Mr. MOORE. Yes, sir.

Mr. KENNEDY. What did they say to you?

Mr. MOORE. Well, they said that they would need the additional \$150.

Mr. KENNEDY. Why, in view of the fact that you had already paid \$300, why was \$150 more needed?

Mr. MOORE. Well, I was on my own then. I started my own shop. That was supposed to be the other half if I wanted that shop then, I suppose.

The CHAIRMAN. The other half of what?

Mr. MOORE. Of the \$300.

Mr. KENNEDY. You had only paid \$150 yourself, and your partner had paid \$150.

Mr. MOORE. That is right.

Mr. KENNEDY. So they wanted, when you set up your new business, for you to pay a new \$150 to make the total \$300?

Mr. MOORE. Yes, sir.

Mr. KENNEDY. What did they say that was for?

Mr. MOORE. The same thing. It was no different. They didn't change that.

The CHAIRMAN. Was that to keep you out of jail or get you out?

Mr. MOORE. To get you out.

The CHAIRMAN. Which?

Mr. MOORE. To get you out, I guess.

The CHAIRMAN. You haven't needed it yet, have you?

Mr. MOORE. No, sir.

Mr. KENNEDY. They didn't talk about any old sheet-metal workers?

Mr. MOORE. Well, I have heard that.

Mr. KENNEDY. But that wasn't the reason that was given to you?

Mr. MOORE. No, sir.

Mr. KENNEDY. Did you understand that this practice was generally followed by the contractors, that they had to make this payment?

Mr. MOORE. Yes, sir; I had heard that before.

Mr. KENNEDY. Did they insist on the second occasion that the payment would have to be in cash?

Mr. MOORE. Yes, sir.

The CHAIRMAN. How did you deliver that \$150?

Mr. MOORE. Well, I didn't have it at the time, so I had to get it later and take it down to the union hall.

The CHAIRMAN. To whom did you give it?

Mr. MOORE. I just put it on a desk in the union hall.

The CHAIRMAN. Who saw you put it there?

Mr. MOORE. I don't remember who was in there then. There was a room and there was 2 or 3 desks. There was a couple of different people in there. I don't even know.

The CHAIRMAN. What did you say to them when you put it down?

Mr. MOORE. I didn't say anything. I just laid it down.

The CHAIRMAN. How did they know what you were doing?

Mr. MOORE. Well, I had been told that I should bring it there before.

The CHAIRMAN. To bring it there and lay it on the desk?

Mr. MOORE. Yes.

The CHAIRMAN. And there was someone who saw you do it?

Mr. MOORE. Yes, sir; but I don't know who it was.

Mr. KENNEDY. Who was in the room, do you know, at the time you brought it down?

Mr. MOORE. Well, I think the secretary. I don't know his name. And maybe Mr. Caldwell.

Mr. KENNEDY. You are not sure?

Mr. MOORE. No; I am not sure.

Mr. KENNEDY. As I understand, on the second occasion, two, Caldwell and Troutman, came to see you. Then did Mr. Caldwell come to see you himself on one occasion?

Mr. MOORE. Yes, sir.

Mr. KENNEDY. But you had conversations with both of them about the extra \$150 that had to be paid?

Mr. MOORE. Yes, sir.

Mr. KENNEDY. And you got this money out of your personal bank account and brought it down there?

Mr. MOORE. Yes, sir.

Mr. KENNEDY. Was this ever listed in your books or records?

Mr. MOORE. Well, I did have the check, but we moved and then we looked for it and we couldn't find it.

Mr. KENNEDY. Was it listed in your company's books?

Mr. MOORE. No. It was a personal check. I just drew it out and had "union dues" or "union payment" or something wrote on it. But I cashed the check and just put the notation on it myself. Then when we moved I couldn't find the check. I might still have it. We have some stuff that is packed up. There is a lot of it.

The CHAIRMAN. Will you make a search for it?

Mr. MOORE. Yes, sir.

The CHAIRMAN. If you find it, advise the committee.

Mr. MOORE. Yes, sir.

The CHAIRMAN. Thank you.

Mr. KENNEDY. Just so I understand, was this from your own personal bank account?

Mr. MOORE. Yes, sir.

Mr. KENNEDY. This last \$150 was from your own personal bank account?

Mr. MOORE. Yes, sir.

Mr. KENNEDY. And you drew the check to cash, did you?

Mr. MOORE. Yes, sir.

Mr. KENNEDY. You cashed the check and took the \$150 in cash, put it in an envelope and brought it to union headquarters?

Mr. MOORE. It was in no envelope, I don't believe.

Mr. KENNEDY. You just put the \$150 on a desk?

Mr. MOORE. Yes, sir.

Mr. KENNEDY. Did you talk to somebody afterward so that they would know you brought the \$150 down?

Mr. MOORE. I just said, "That is the money," but I don't know who it was that was there.

Mr. KENNEDY. Did you talk to Mr. Caldwell afterward or Mr. Troutman?

Mr. MOORE. At the time, yes, I talked to them.

Mr. KENNEDY. They were there at the hall when you brought the \$150 down?

Mr. MOORE. They were there, yes.

Mr. KENNEDY. Did they suggest that you put it there?

Mr. MOORE. Yes, sir.

Mr. KENNEDY. They suggested while you were in the hall?

Mr. MOORE. Yes, just to lay it on the desk.

Mr. KENNEDY. Just to lay the money on a desk?

Mr. MOORE. Yes.

The CHAIRMAN. I was wondering how you were identified, how they knew you were the one that made the payment. They were there at the hall and when you went down you reported to them that you had the money?

Mr. MOORE. Yes, sir.

The CHAIRMAN. And they told you to go in there and put it on the desk?

Mr. MOORE. Yes, sir.

The CHAIRMAN. So you say there may have been someone else in the room, but you don't know who that was?

Mr. MOORE. No; I don't. There was somebody.

The CHAIRMAN. But you do know that Caldwell and Troutman were there, and you reported to them that you had brought the money?

Mr. MOORE. Yes, sir.

The CHAIRMAN. And they told you to put it on the desk?

Mr. MOORE. Yes, sir.

The CHAIRMAN. And you carried out their instructions?

Mr. MOORE. Yes, sir.

Mr. KENNEDY. That is all.

The CHAIRMAN. All right.

Thank you very much.

The instructions I gave the other witness with respect to continuing under their present subpoena—did you hear about that?

Mr. MOORE. Yes, sir.

The CHAIRMAN. You will continue under the jurisdiction of the committee, subject to being recalled at such time as the committee may need further testimony from you.

Mr. MOORE. Yes, sir.

The CHAIRMAN. If you are bothered in any way, let us know.

Mr. MOORE. All right.

The CHAIRMAN. Thank you very much.

Mr. KENNEDY. Mr. Emmett D. Wells.

The CHAIRMAN. Come forward, Mr. Wells.

Be sworn, please, sir.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. WELLS. I do.

TESTIMONY OF EMMETT D. WELLS

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. WELLS. My name is Emmett D. Wells. I live at 1895 Illinois Street, Des Plaines, Ill. I am the owner of Wells Heating & Sheet Metal Co. in that same town.

The CHAIRMAN. You waive counsel, do you, Mr. Wells?

Mr. WELLS. I do.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Wells, you were a partner, were you not, of Mr. Moore?

Mr. WELLS. Yes.

Mr. KENNEDY. Was that in the sheet metal business?

Mr. WELLS. Yes.

Mr. KENNEDY. You formed this partnership in 1952?

Mr. WELLS. That is correct.

Mr. KENNEDY. It was a company known as the Acme Heating Co. of Des Plaines?

Mr. WELLS. That is right.

Mr. KENNEDY. Could you tell the committee whether you had some discussions with any union official regarding the payment of any money at the time you formed a partnership or shortly thereafter?

Mr. WELLS. Well, it was about the same as Moore told. In 1952 we started this Acme Heating Co. and operated a month or 6 weeks. Then we went to the union hall to see about getting an approval to have a union shop. So they came out a week or 10 days later—Ray Caldwell and Mr. Troutman, that is—to look over the shop. That is about it. They told us it would cost us \$300 to operate.

The CHAIRMAN. Don't say, "That is about it." You give your version as to exactly what occurred.

Mr. WELLS. They told us it would cost us \$300 to get an approval.

The CHAIRMAN. It would cost \$300 to get an approval for you to continue in business?

Mr. WELLS. That is right; to have a union shop.

The CHAIRMAN. To have a union shop?

Mr. WELLS. Yes, sir.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Did you put up the \$300?

Mr. WELLS. No, not at the time. We didn't have the money. I suppose about a week later they came back and we each got \$150 of our own money and laid it on a workbench there in the shop, and one of the gentlemen picked it up. I don't recall which one.

The CHAIRMAN. Did they see you place the money on the bench?

Mr. WELLS. Yes, sir.

The CHAIRMAN. Was there anyone else there that saw you place the money on the bench except them and Mr. Moore?

Mr. WELLS. No, sir.

The CHAIRMAN. How long was it after you put the money on the bench before you noticed it was gone?

Mr. WELLS. A minute or so, probably.

The CHAIRMAN. A minute or so?

Mr. WELLS. Yes.

The CHAIRMAN. There wasn't anyone else in there to get the money except them?

Mr. WELLS. No, sir.

The CHAIRMAN. You are sure they got the money?

Mr. WELLS. Yes, sir.

Mr. KENNEDY. Did they say at that time that the payment had to be in cash?

Mr. WELLS. Yes, sir.

Mr. KENNEDY. And did you understand what the payment was going to be for?

Mr. WELLS. Yes, sir.

Mr. KENNEDY. What did they say?

Mr. WELLS. For approval of a union shop.

Mr. KENNEDY. For approval of a union—

Mr. WELLS. And a working agreement.

Mr. KENNEDY. Did you ever make any other payments?

Mr. WELLS. Yes, sir.

Mr. KENNEDY. When was that?

Mr. WELLS. That was about 1 year later. I bought Moore's interest in the business.

Mr. KENNEDY. What happened then?

Mr. WELLS. Well, Moore signed the agreement in 1952 of Acme Heating when we were partners, so after I bought Moore out that left me without a working agreement. So I had to kick in \$200 extra.

Mr. KENNEDY. How much?

Mr. WELLS. \$200.

Mr. KENNEDY. \$200 at that time?

Mr. WELLS. Yes.

Mr. KENNEDY. To whom did you give that money?

Mr. WELLS. Ray Caldwell.

Mr. KENNEDY. He told you that you had to give another \$200 then?

Mr. WELLS. Yes, sir.

Mr. KENNEDY. Where did you give him that money?

Mr. WELLS. On the side of the bank building in Des Plaines.

Mr. KENNEDY. Did you just give him the cash?

Mr. WELLS. Yes.

Mr. KENNEDY. Where did you get the \$200?

Mr. WELLS. I wrote a check out for cash, took it in the bank and cashed it, and handed him the money.

Mr. KENNEDY. How much did he ask for?

Mr. WELLS. He said it would cost \$300.

Mr. KENNEDY. How were you able to get him down?

Mr. WELLS. Well, I don't know how we were able to. We finally arrived at \$200.

Mr. KENNEDY. Bargained back and forth?

Mr. WELLS. Well, I suppose I was sort of short on funds after buying out Moore, and I tried to get him down a little.

Mr. KENNEDY. Did you make any other payments?

Mr. WELLS. Yes, sir.

Mr. KENNEDY. Who else?

Mr. WELLS. About 1 year from that day I sold the Acme Heating Co. to another party.

Mr. KENNEDY. Who did you sell it to?

Mr. WELLS. Wallace Lischett.

Mr. KENNEDY. What happened?

Mr. WELLS. Well, I left the area. I wasn't around for about a year. I don't know exactly what took place then.

Mr. KENNEDY. Then did you return to the business?

Mr. WELLS. Yes, sir; in about July of 1955 I came back and purchased a truck, machinery, and rented a building.

Mr. KENNEDY. You sold in about April of 1954 and you came back in March or April of 1956; was it?

Mr. WELLS. July of 1955.

Mr. KENNEDY. July of 1955?

Mr. WELLS. Yes, sir.

Mr. KENNEDY. Did you have some conversations then with anybody from the union?

Mr. WELLS. Well, yes, I did; after I bought the machinery and truck and rented a building, then I called Ray Caldwell to get the approval again.

Mr. KENNEDY. What did he say?

Mr. WELLS. He said they wasn't OK'ing any shops at that particular time.

Mr. KENNEDY. So what happened?

Mr. WELLS. So I went to work for another shop and worked for about 6 months or 7.

Mr. KENNEDY. You couldn't go into business yourself?

Mr. WELLS. No, sir.

The CHAIRMAN. Is there a law against your going into business?

Mr. WELLS. No; there wasn't no law.

The CHAIRMAN. Just men?

Mr. WELLS. Yes, sir.

The CHAIRMAN. They are bigger than the Government out there?

Mr. WELLS. Well, I suppose so. I don't know about that.

The CHAIRMAN. Well, the law didn't require you to——

Mr. WELLS. I could have operated the business, but I would have been nonunion. Nobody could have stopped me from that.

The CHAIRMAN. You don't know whether you could operate or not nonunion?

Mr. WELLS. That is about the size of it.

The CHAIRMAN. You might have been stopped?

Mr. WELLS. Well, if I had done certain work, I sure probably would have been stopped.

Mr. KENNEDY. You couldn't get any new construction work unless you were union?

Mr. WELLS. I never tried it because I know not to try to do new work unless you were union.

Mr. KENNEDY. So did you call him?

Mr. WELLS. Yes; I called him periodically over this period of 6 or 7 months.

Mr. KENNEDY. And he said you couldn't open your shop up?

Mr. WELLS. Yes, sir.

Mr. KENNEDY. So what happened then; did you ever get permission to open it up?

Mr. WELLS. Yes, sir; the first part of 1956, in February or March, I called him and made an appointment with him and I got the approval then to open up another business.

Mr. KENNEDY. That was Mr. Caldwell?

Mr. WELLS. Yes, sir.

Mr. KENNEDY. Did you pay him any money?

Mr. WELLS. Yes, sir.

Mr. KENNEDY. How much did you pay him then?

Mr. WELLS. \$400.

Mr. KENNEDY. Why had it gone up?

Mr. WELLS. I don't know about that.

Mr. KENNEDY. What did he say about that? Did you say "I only paid you \$300 a couple of years ago"?

Mr. WELLS. No; I didn't say anything.

Mr. KENNEDY. When he asked for \$400, did you tell him you thought that was a little high?

Mr. WELLS. Well, yes; I thought it was a little high.

Mr. KENNEDY. What did he say?

Mr. WELLS. He said it is up to \$400 now.

Mr. KENNEDY. You didn't argue about it?

Mr. WELLS. No, sir.

Mr. KENNEDY. And you gave him \$400 in cash?

Mr. WELLS. Yes, sir.

Mr. KENNEDY. Did you make an entry in your books?

Mr. WELLS. No, sir; I didn't have any books at the time.

Mr. KENNEDY. You made no other payments; is that right?

Mr. WELLS. No, sir.

Mr. KENNEDY. You were first interviewed, Mr. Wells, by Mr. Langenbacher?

Mr. WELLS. Yes, sir.

Mr. KENNEDY. And you told him about these payments; is that correct?

Mr. WELLS. Yes.

Mr. KENNEDY. And then you were interviewed by Mr. Duffy and Mr. Langenbacher and myself in Chicago last week?

Mr. WELLS. Yes, sir.

Mr. KENNEDY. Now, between those two interviews, and again, you reaffirmed the fact that you had made those payments; is that right?

Mr. WELLS. Yes, sir.

Mr. KENNEDY. And you say here under oath that you did make the payments?

Mr. WELLS. Yes, sir.

Mr. KENNEDY. Now, in between those two interviews, did you go down to the union headquarters or have any conversation with any union officials or union attorneys regarding these payments?

Mr. WELLS. After that, you mean?

Mr. KENNEDY. No, between the first interview by Mr. Langenbacher and the second interview with us in Chicago.

Mr. WELLS. Well, I didn't exactly make it a point then, and I called to the union hall for sheet-metal workers.

Mr. KENNEDY. Did you have any conversations regarding these payments?

Mr. WELLS. Yes, and at the same time I told Ray Caldwell that I had been questioned about my relationship with the union.

Mr. KENNEDY. What did Mr. Caldwell say?

Mr. WELLS. He wanted to know what took place.

Mr. KENNEDY. So what happened then?

Mr. WELLS. I told him that I had signed a statement and Mr. Langenbacher came around, and I signed their statement.

Mr. KENNEDY. Saying you had made these payments?

Mr. WELLS. That is right.

Mr. KENNEDY. What did he do, Mr. Caldwell?

Mr. WELLS. He didn't do anything.

Mr. KENNEDY. Did he take you down to union headquarters then?

Mr. WELLS. No, sir.

Mr. KENNEDY. Did you go down to the union headquarters at all? Did you go down to see Mr. Cohen?

Mr. WELLS. Yes, I saw Mr. Cohen.

Mr. KENNEDY. The attorney for the union?

Mr. WELLS. Yes, sir.

Mr. KENNEDY. How did you happen to go to see Mr. Cohen, the attorney for the union?

Mr. WELLS. I was under the impression I might need some counsel.

Mr. KENNEDY. Who suggested you go to Mr. Cohen?

Mr. WELLS. Mr. Caldwell took me to his office.

Mr. KENNEDY. You thought you might be looking for counsel?

Mr. WELLS. Yes, sir.

Mr. KENNEDY. Mr. Caldwell was kind enough to take you down to see his counsel?

Mr. WELLS. That is right.

Mr. KENNEDY. Did you have a conversation with Mr. Cohen then?

Mr. WELLS. A small one.

Mr. KENNEDY. Did you then make out a statement, that you hadn't made any of these payments, for Mr. Cohen, and Mr. Caldwell?

Mr. WELLS. Well, in the meantime, I had a copy of Mr. Langenbacher's statement on my presence at that time, and he looked it over.

The CHAIRMAN. Who looked it over?

Mr. WELLS. Cohen.

Mr. KENNEDY. Did he question you as to whether you had made the payments or not?

Mr. WELLS. Mr. Cohen didn't.

Mr. KENNEDY. Who questioned you?

Mr. WELLS. I don't think I was questioned.

Mr. KENNEDY. Did you make any statement to them or make any written statement to them that you had not made these payments?

Mr. WELLS. Yes, I did.

Mr. KENNEDY. What statement did you make?

Mr. WELLS. Well, I am afraid I don't know the contents of that.

Mr. KENNEDY. Who dictated that statement?

Mr. WELLS. Mr. Cohen.

Mr. KENNEDY. Mr. Cohen?

Mr. WELLS. Yes.

Mr. KENNEDY. And you signed the statement?

Mr. WELLS. Yes, sir.

Mr. KENNEDY. Do you know what the statement said?

Mr. WELLS. No, sir.

Mr. KENNEDY. Mr. Cohen gave you a copy of the statement?

Mr. WELLS. No, sir.

Mr. KENNEDY. Did anybody ask you when you were down there with Mr. Caldwell and Mr. Cohen, if they wanted the truth as to whether you had made these payments or not, did you say that to Mr. Caldwell or Mr. Cohen?

Mr. WELLS. I think maybe I did; I am sure I did.

Mr. KENNEDY. What did they say?

Mr. WELLS. They didn't say anything.

Mr. KENNEDY. They didn't answer that question?

Mr. WELLS. No, sir.

Mr. KENNEDY. Did they give you a copy of the statement that you signed?

Mr. WELLS. No, sir.

Mr. KENNEDY. Well, now, did you or did you not make the payments that you have testified to here?

Mr. WELLS. I did make the payments.

Mr. KENNEDY. And if you said anything in the statement to the contrary, then that statement is incorrect; is that right?

Mr. WELLS. That is correct.

Mr. KENNEDY. Why would you sign such a statement or why did you sign a statement down there at union headquarters or Mr. Cohen's office?

Mr. WELLS. I wanted to stay on the good side of both.

Mr. KENNEDY. You wanted to stay on the good side of both?

The CHAIRMAN. Which one were you afraid of?

Mr. WELLS. Both.

The CHAIRMAN. Are you scared now?

Mr. WELLS. I am a little shaky.

The CHAIRMAN. On which side?

Mr. WELLS. Both sides, I suppose.

The CHAIRMAN. You are shaking all over, are you? All right; proceed.

Mr. KENNEDY. That is all.

The CHAIRMAN. Now, let me see if I followed your testimony correctly. You first paid \$150 out of your own money when you went in business with Moore?

Mr. WELLS. Yes, sir.

The CHAIRMAN. That money was paid to Caldwell and Troutman?

Mr. WELLS. That is correct.

The CHAIRMAN. Then when you bought Moore out about a year later, you paid \$200 more?

Mr. WELLS. Yes, sir.

The CHAIRMAN. That is your own money?

Mr. WELLS. Yes.

The CHAIRMAN. And then when you sold out and later came back and wanted to go into business after about 6 months or something, while you had to work for someone else, when they finally let you go back in business you had to pay \$400?

Mr. WELLS. Yes, sir.

The CHAIRMAN. That makes a total of \$750 you paid out to these folks?

Mr. WELLS. That is right.

The CHAIRMAN. Now, the first \$150 was paid to Troutman and Caldwell?

Mr. WELLS. That is right.

The CHAIRMAN. Who was the second \$200 paid to?

Mr. WELLS. Ray Caldwell.

The CHAIRMAN. To Ray Caldwell, himself?

Mr. WELLS. Yes, sir.

The CHAIRMAN. And who was the \$400 paid to?

Mr. WELLS. Ray Caldwell, also.

The CHAIRMAN. Ray Caldwell?

Mr. WELLS. Yes, sir.

The CHAIRMAN. So you have been out a total of \$750?

Mr. WELLS. Yes, sir.

The CHAIRMAN. I want to ask you something. You say you want to stay on the good side of both; is that right?

Mr. WELLS. That is why I went to the office; that is what I said.

The CHAIRMAN. That is what you said to them?

Mr. WELLS. Yes, sir.

The CHAIRMAN. I want to ask you now: Are you on the side of truth or are you up here telling a lie?

Mr. WELLS. I am telling the truth.

The CHAIRMAN. You are telling the truth today, are you?

Mr. WELLS. Yes, sir.

The CHAIRMAN. If you are up here misrepresenting these facts, you ought to be punished for it, and you realize that, don't you?

Mr. WELLS. Yes, sir.

The CHAIRMAN. Now, you are now under oath and you are swearing what you have said here to be the absolute truth.

Mr. WELLS. I do.

The CHAIRMAN. All right; thank you very much. You will remain under the same injunction that I have given to the other witnesses, subject to recall and continuing under the jurisdiction of the committee.

Mr. WELLS. Yes, sir.

The CHAIRMAN. Do you agree?

Mr. WELLS. Yes, sir.

The CHAIRMAN. Thank you very much.

Call the next witness.

Mr. KENNEDY. Mr. Lischett, please.

The CHAIRMAN. Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. LISCHETT. I do.

TESTIMONY OF WALLACE J. LISCHETT

The CHAIRMAN. Give your name and your place of residence and your business or occupation, please.

Mr. LISCHETT. The name is Wallace J. Lischett. My residence is 199 North Milwaukee Avenue, Wheeling, Ill. I am owner of Acme Heating Co., Des Plaines, Ill.

The CHAIRMAN. Do you waive counsel, Mr. Lischett?

Mr. LISCHETT. I do, sir.

The CHAIRMAN. Is this Acme Heating Co. one that you purchased from someone else?

Mr. LISCHETT. I purchased Acme Heating Co. from Emmett Wells in 1954.

The CHAIRMAN. From Mr. Wells, one of the witnesses who testified here?

Mr. LISCHETT. Yes, sir.

The CHAIRMAN. Is he the one who bought out Mr. Moore?

Mr. LISCHETT. Yes, sir.

The CHAIRMAN. So you now own the Acme Heating Co. that was established by Mr. Moore and Mr. Wells?

Mr. LISCHETT. That is correct, sir.

The CHAIRMAN. Thank you very much. Go ahead.

Mr. KENNEDY. Mr. Lischett, after you purchased this business in October of 1954, did you have any conversations with any union official about the fact that you had made the purchase?

Mr. LISCHETT. Yes, sir. I contacted the Steam Fitters local in Chicago and asked for an agreement with the Steam Fitters for hot water heat, which I received, and I contacted Local 73, Sheet Metal Workers, and Mr. Caldwell and Mr. Troutman came out to see me at the shop

in Des Plaines. Mr. Caldwell had a talk with me and told me it would cost \$400 to become a unionized shop. I informed them that the shop was unionized when Mr. Wells had it, and I was told in so many words that that didn't take effect; if I wanted to do new construction it would cost me \$400.

At a later date, Mr. Caldwell came to me and I gave Mr. Caldwell \$400, and I made out a check for cash and cashed it and gave Mr. Caldwell the money in an envelope.

Mr. KENNEDY. Why did you give him the cash?

Mr. LISCHETT. Because, sir, he would not accept a check, and I had to do new construction to make a living.

The CHAIRMAN. I present to you a photostatic copy of a check dated December 30, 1954, signed by you, apparently, or signed by your wife, in the amount of \$400, made to cash, with the notation after the word "cash," "union dues." I ask you to examine this check and state if you identify it.

Mr. LISCHETT. I identify the check, sir.

The CHAIRMAN. Is that the check that you referred to upon which you got the cash to pay Mr. Caldwell?

Mr. LISCHETT. Yes, sir; that is the check.

The CHAIRMAN. And you, at the time you cashed it, made that notation on it, when you wrote that check. Did you write the check?

Mr. LISCHETT. The check was written by my wife, who does my bookkeeping.

The CHAIRMAN. She does your bookkeeping?

Mr. LISCHETT. Yes, sir.

The CHAIRMAN. And she wrote the check?

Mr. LISCHETT. Yes, sir.

The CHAIRMAN. Did you instruct her?

Mr. LISCHETT. Yes; I told my wife to make the check out that way so I could tell where the money went.

The CHAIRMAN. So you could tell where the money went?

Mr. LISCHETT. Yes, sir.

The CHAIRMAN. And you state positively that the \$400 proceeds you got on that check was out of, apparently, your wife's account?

Mr. LISCHETT. No, sir; it is a company account, and my wife and I have the right to sign the checks.

The CHAIRMAN. It is out of your company money?

Mr. LISCHETT. Yes, sir.

The CHAIRMAN. The proceeds of that check you personally delivered to Mr. Caldwell?

Mr. LISCHETT. Yes, sir.

The CHAIRMAN. How did you deliver it to him?

Mr. LISCHETT. By handing it to him in an envelope.

The CHAIRMAN. You handed it to him in an envelope where?

Mr. LISCHETT. In the union office, sir.

The CHAIRMAN. You carried it down to the union office?

Mr. LISCHETT. Yes, sir.

The CHAIRMAN. How soon after the date of that check?

Mr. LISCHETT. I couldn't be absolutely sure, but within a week or so of that, as soon as I got the money I made it my business to get down there and take care of it.

The CHAIRMAN. As soon as you got the money you went down and took care of it?

Mr. LISCHETT. Yes, sir.

Mr. KENNEDY. What reason did they give you for making you pay the \$400?

Mr. LISCHETT. At the time, sir, I asked them and I was informed it was a special fund, and I tried to make inquiries about it, and I was told in so many words, it is a special fund and if you want to be in the heating business and do new construction, that is it, and I was in no position to question the gentlemen.

Mr. KENNEDY. How many employees did you have?

Mr. LISCHETT. At the time I had three union employees.

The CHAIRMAN. How many?

Mr. LISCHETT. Three employees.

Mr. KENNEDY. Were they all sheetmetal workers?

Mr. LISCHETT. Yes, sir.

Mr. KENNEDY. How many do you have now?

Mr. LISCHETT. I have none, sir.

Mr. KENNEDY. You are self-employed?

Mr. LISCHETT. Yes, sir.

The CHAIRMAN. The check which I presented to the witness and which he identified may be made exhibit No. 15.

(Document referred to was marked "Exhibit No. 15" for reference and will be found in the appendix on p. 15945).

Mr. KENNEDY. For what reason did you make the payment? Why did you make the payment?

Mr. LISCHETT. Why, sir? Because I wanted to be a heating contractor and make a living, and that is the only way you can do it in Illinois.

Mr. KENNEDY. You have to make these payments?

Mr. LISCHETT. Yes, sir.

Mr. KENNEDY. Did you understand that this was a general practice?

Mr. LISCHETT. It is common knowledge, sir.

Mr. KENNEDY. That you have to make this payment in order to get into business?

Mr. LISCHETT. Yes, sir.

The CHAIRMAN. Where does this money go so far as you know, just in the pockets of these racketeers?

Mr. LISCHETT. I presume it did, sir.

The CHAIRMAN. You have never heard of any of it being expended for any legitimate purposes or charitable purposes, have you?

Mr. LISCHETT. No, sir.

The CHAIRMAN. All right.

Senator KENNEDY. As I understand, this shop was already unionized.

Mr. LISCHETT. Yes, sir.

Senator KENNEDY. And you had union sheet-metal workers?

Mr. LISCHETT. Yes, sir; and the shop was unionized three times previously.

Senator KENNEDY. Why did you have to, or why did you telephone local 73, then?

Mr. LISCHETT. Because, as I said, it is a common practice when you go in business, you have to notify them that you are going into business or otherwise they will stop the job. If you get a heating contractor building a new home the union walks in and pulls your men and all of the rest of the trades off, and that is the end of your contract.

Senator KENNEDY. But they were unionized?

Mr. LISCHETT. Yes, sir.

Senator KENNEDY. Does this happen with other unions in the construction trades besides the Sheet Metal Workers?

Mr. LISCHETT. I am not in a position to say, sir, and I would not know.

Senator KENNEDY. Your personal experience is with the Sheet Metal Workers?

Mr. LISCHETT. Yes, sir.

Senator KENNEDY. But the fact is that you were hiring union labor, and Sheet Metal Worker Union members at the time that this transaction took place?

Mr. LISCHETT. Yes, sir; that is correct.

Senator KENNEDY. You took this as a business deduction on your income tax?

Mr. LISCHETT. No, sir; I took that \$400 and I just wrote it off as an expense.

Senator KENNEDY. Well, you charged it off on your income tax.

Mr. LISCHETT. No, sir; I did not charge it off.

Senator KENNEDY. It was personal?

Mr. LISCHETT. Yes, sir.

Senator KENNEDY. Well, now, Mr. Chairman, one of the witnesses this morning gave as his theory as to why these witnesses are making these charges against him and others is because they put the money in their pockets. But there would be no advantage in this case of Mr. Lischett putting it in his pocket, because he is taking it not as a business deduction but as a personal deduction. So what possible reason would there be for him 4 years later to admit that he made the payment and to come down here and testify before us with all of the risks which are involved if it merely was he wanted to get \$400 in his pocket, because there is not any economic advantage to him?

So I see no possible reason why you would not be telling the truth, because there is no possible economic advantage that you could have gotten out of making this check out and cashing it and putting the money in your own pocket and saying you had given it to the gentleman that you have stated you gave it to. The fact of the matter is if you wanted the \$400 you could have written it out to cash, and you didn't take it as a business transaction.

I would think the burden of proof in the case that we have just had is certainly the other side, and not on you, unless somebody can bring some other reason in for you doing it, and I don't see any other reason other than you would be telling the truth.

The CHAIRMAN. That holds true of some of the others who have testified.

Senator KENNEDY. So the charge made that they are doing this because they are lying because they have used it as a tax-evading device does not stand up in those cases. It may not be true in the other cases, but it definitely does not stand up in the cases where they didn't take it as a business deduction.

Mr. KENNEDY. We didn't go into your books and records and start asking you about certain checks or certain documents that you had?

Mr. LISCHETT. No, sir.

Mr. KENNEDY. We came in on the basis not of making an income tax investigation of you, but on the basis we wanted to find any information regarding whether you had made any payments to any union official; is that not correct?

Mr. LISCHETT. That is right.

Mr. KENNEDY. So if you hadn't given us this information, there would not have been any way we could have checked that; is that not correct? And we were not holding you up on the grounds that you were under investigation for income tax?

Mr. LISCHETT. That is correct, sir.

Senator KENNEDY. I want to say, Mr. Chairman, I am glad that you have made it very strong and very clear that any action that would be taken directly or indirectly by any people that might be involved in or out of this union against any of these witnesses for coming before us, certainly has been, I think, extremely useful, and you have made it very clear that they would come across this committee's jurisdiction in those cases.

The CHAIRMAN. You have heard the admonition that the Chair gave the other witnesses?

Mr. LISCHETT. I have.

The CHAIRMAN. You will remain under your same subpoena, and under the jurisdiction of the committee, and with the same instructions to request that you report to us any incident that might arise by reason of your testimony here.

Mr. LISCHETT. Yes, sir.

The CHAIRMAN. You will be subject to being recalled if and when the committee needs further testimony from you.

Mr. LISCHETT. Yes, sir.

The CHAIRMAN. Again I just want to say to you, and to the others who have come here and testified, I know it takes some courage to do it because of this underworld element that has infiltrated into some labor unions and business organizations. They are tough and they are rough, and they think that they are above the law, and they are trying to be above the law. They have made a challenge to the supremacy of Government in the conduct that they are pursuing, and I think that the time has come for this Government to call that challenge. We can only do it by men of courage, and witnesses who will come forth and give us these sordid facts.

Thank you very much.

Senator KENNEDY. I think that your statement to the witness covered any attempts to carry out any boycott against any of the witness' products merely because of any action that he took before this committee, or any bids that he might make merely because of any action he took before this committee.

The CHAIRMAN. Thank you very much.

Call the next witness.

Mr. KENNEDY. Mr. Troutman and Mr. Caldwell.

The CHAIRMAN. Come around, Mr. Troutman and Mr. Caldwell.

Will you bring up another chair, and Mr. Counsel, you may sit in between your clients, and let the clients sit in front of the microphones.

Will you be sworn? Do you and each of you solemnly swear that the evidence you shall give before this Senate select committee shall

be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. TROUTMAN. I do.

Mr. CALDWELL. I do.

**TESTIMONY OF SHANNON J. TROUTMAN AND RAY CALDWELL,
ACCOMPANIED BY COUNSEL, NATHAN M. COHEN**

The CHAIRMAN. Beginning on my left, the witness on my left, state your name, your place of residence, and your business or occupation, please.

Mr. CALDWELL. Ray Caldwell, 4934 Dobson, Skokie. Assistant business agent, Sheet Metal Workers, Local 73, Chicago.

The CHAIRMAN. Thank you very much.

And the gentleman on my right.

Mr. TROUTMAN. My name is Shannon J. Troutman, and I live at 4539 North Seeley Avenue, in Chicago. I am the recording secretary and business agent of the Sheet Metal Workers Union, Local No. 73.

The CHAIRMAN. Thank you.

Gentlemen, you have counsel, and Mr. Cohen is the same attorney who has appeared here for other witnesses. Let the record so show.

Proceed.

Mr. COHEN. The witnesses complain that the taking of pictures during their testimony distracts them.

The CHAIRMAN. The Chair will make this observation: Witnesses who cooperate with the committee by answering questions, when raising the issue or make a request that they not be photographed while testifying by reason of possible distraction and interfering with their concentrating while giving their testimony, where that request is made and witnesses cooperate with the committee, we gladly grant the request.

Therefore, the photographers will desist from photographing the witnesses while testifying until further announcement from the Chair.

Proceed.

Mr. KENNEDY. Mr. Caldwell, how long have you been with the Sheet Metal Workers?

Mr. CALDWELL. I have been a business agent since 1952.

Mr. KENNEDY. What were you doing prior to that time?

Mr. CALDWELL. Working as a sheet-metal worker.

Mr. KENNEDY. How long have you been with the union?

Mr. CALDWELL. In the neighborhood of 30 years.

Mr. KENNEDY. Were you elected a business agent in 1952?

Mr. CALDWELL. Yes, sir.

Mr. KENNEDY. Did you have any opposition?

Mr. CALDWELL. No, sir; I was appointed in 1952.

Mr. KENNEDY. By whom?

Mr. CALDWELL. By the president of our union.

Mr. KENNEDY. Mr. Cronin?

Mr. CALDWELL. Approved by the membership and reelected in 1956 by them.

Mr. KENNEDY. You were appointed by Mr. Cronin?

Mr. CALDWELL. Right, sir.

Mr. KENNEDY. What is your salary, as business agent?

Mr. CALDWELL. My take-home pay is \$288 a week.

Mr. KENNEDY. What is your salary?

Mr. CALDWELL. \$350.

Mr. KENNEDY. What are your expenses?

Mr. CALDWELL. \$58 a quarter.

Mr. KENNEDY. A quarter?

Mr. CALDWELL. A month, rather.

Mr. KENNEDY. \$58?

Mr. CALDWELL. \$129 a quarter.

Mr. KENNEDY. \$129 for 2 weeks, isn't it?

Mr. CALDWELL. That is right.

Mr. KENNEDY. Do you have any other source of income?

Mr. CALDWELL. No, sir; I do not.

Mr. KENNEDY. That is your only source?

Mr. CALDWELL. Yes, sir.

Mr. KENNEDY. Have you had any other business interests or any other source of income since 1950?

Mr. CALDWELL. None whatsoever.

Mr. KENNEDY. You have a bank account, do you?

Mr. CALDWELL. Just the one that I showed you the book on.

Mr. KENNEDY. Where is your bank account?

Mr. CALDWELL. In the First National Bank of Skokie.

Mr. KENNEDY. Where?

Mr. CALDWELL. The Merchants National Bank at Madison, in Chicago.

Mr. KENNEDY. That is the only bank account that you have?

Mr. CALDWELL. That is right.

Mr. KENNEDY. Does your wife have a bank account?

Mr. CALDWELL. My wife has a bank account.

Mr. KENNEDY. Is that also there?

Mr. CALDWELL. No; that is in Skokie, a checking account.

Mr. KENNEDY. Does she have any other bank accounts other than that one?

Mr. CALDWELL. No.

Mr. KENNEDY. Do you have any other bank accounts in any other name, you or your wife?

Mr. CALDWELL. No, sir.

Mr. KENNEDY. Those are the only two bank accounts?

Mr. CALDWELL. That is right, sir.

Mr. KENNEDY. We have had testimony before the committee by Mr. Johnson that he gave you \$50 or \$100 in cash on one occasion; by Mr. Wells that he gave you \$150, \$200, and then \$400; by Mr. Moore that he gave you \$300 and \$150; by Mr. Lischett that he gave you \$400. Did you receive this money?

Mr. CALDWELL. On the first three, Mr. Kennedy, I never received a penny from either one of them.

Mr. KENNEDY. You never received it? Mr. Johnson was uncertain whether it was \$50 or \$100. Did you receive that money?

Mr. CALDWELL. I never saw Mr. Johnson in my life but twice, and once was today. And I never received \$50.

Mr. KENNEDY. So his testimony that he did give you either \$50 or \$100 is incorrect; is that right?

Mr. CALDWELL. That is correct.

Mr. KENNEDY. You did not receive that money?

Mr. CALDWELL. Never.

Mr. KENNEDY. Mr. Wells states that he gave you \$150 and \$200 and finally \$400. Is that correct?

Mr. CALDWELL. I never got any money from Mr. Wells.

Mr. KENNEDY. Do you know Mr. Wells?

Mr. CALDWELL. Yes; I do.

Mr. KENNEDY. You never received any money from him?

Mr. CALDWELL. No, sir.

Mr. KENNEDY. Mr. Moore states that he gave you \$300 and \$150.

Mr. CALDWELL. I never got any money from Mr. Moore.

Mr. KENNEDY. He gave that money to you and Mr. Troutman.

Mr. CALDWELL. That is incorrect.

Mr. KENNEDY. Did you have any conversations with Mr. Moore about this money?

Mr. CALDWELL. None whatever.

Mr. KENNEDY. Did you have any conversations with any contractor that they would have to pay money in order to open up a shop?

Mr. CALDWELL. I never told any contractor that.

Mr. KENNEDY. And that that money would have to be in the form of cash?

Mr. CALDWELL. I never told any contractor.

Mr. KENNEDY. Mr. Lischett, who testified just prior to you, within the last 5 minutes, that he gave you \$400 in cash.

Mr. CALDWELL. Mr. Lischett is lying.

Mr. KENNEDY. He also didn't give you the money?

Mr. CALDWELL. I will tell you what happened in that case, Mr. Kennedy.

Mr. KENNEDY. Answer that question first, please.

Mr. CALDWELL. I never received it. I received half of it in an envelope and didn't know what it was for, that he left with the girl in our office, at the switchboard. I took the envelope back and handed it to Mr. Lischett. That was \$200, not \$400, and I didn't know what it was for. That was sometime after he had gone in business.

Mr. KENNEDY. What did the operator tell you?

Mr. CALDWELL. The operator told me there was an envelope left for me by a Mr. Lischett.

Mr. KENNEDY. She told you——

Mr. CALDWELL. I wasn't in the office when he came in there.

Mr. KENNEDY. When was this that he left the envelope?

Mr. CALDWELL. Well, I don't know what date it was.

Mr. KENNEDY. There was \$200 in cash?

Mr. CALDWELL. \$200 in cash.

Mr. KENNEDY. And you brought it back to him?

Mr. CALDWELL. And I brought it back and handed it to him.

Mr. KENNEDY. What did you say to him at that time?

Mr. CALDWELL. I said to him, I said, "I don't know what you left that down there for. I don't know what the purpose of it is."

Mr. KENNEDY. What did he say?

Mr. CALDWELL. He didn't give me any answer to that. But he took the money back.

Mr. KENNEDY. So the testimony of Mr. Johnson, Mr. Wells, Mr. Moore, and Mr. Lischett regarding you is incorrect; is that right?

Mr. CALDWELL. Right, sir.

MR. KENNEDY. We also had the testimony of Mr. Jolicoeur that he had some discussions with you, either you or Mr. Cronin, regarding the bidding that he would have on contracts, suggesting to him that he should not bid on certain contracts.

MR. CALDWELL. I never talked to him along those lines.

MR. KENNEDY. You never did?

MR. CALDWELL. No, sir.

MR. KENNEDY. Did you ever suggest to any contractor that he not bid on a contract?

MR. CALDWELL. I never did, sir.

MR. KENNEDY. So that testimony of Mr. Jolicoeur is incorrect?

MR. CALDWELL. If he includes me, it is incorrect.

MR. KENNEDY. Can you give any explanation as to why all of these contractors would tell the story about giving you cash?

MR. CALDWELL. I don't know of any reason.

MR. KENNEDY. You can't give any explanation?

MR. CALDWELL. No, sir.

MR. KENNEDY. Mr. Troutman, what salary do you receive?

MR. TROUTMAN. \$350.

MR. KENNEDY. And the same expense account?

MR. TROUTMAN. Yes, sir; \$129 every 2 weeks.

MR. KENNEDY. Have you had any other source of income since 1950?

MR. TROUTMAN. None whatever.

MR. KENNEDY. None at all. Where is your bank account?

MR. TROUTMAN. Lakeview Trust, at Lincoln and Belmont.

MR. KENNEDY. Is that the only bank account?

MR. TROUTMAN. No, sir. I told you the other day it was, but I was excited. I got a couple of hundred dollars in the Midwest Bank. I have that book with me, which I will gladly give you.

MR. KENNEDY. Any other bank accounts?

MR. TROUTMAN. No, sir; none whatsoever.

MR. KENNEDY. Either of you or your wife?

MR. TROUTMAN. I am sorry; I ain't got it with me. No, sir.

MR. KENNEDY. We have had testimony before the committee by Mr. Moore that he paid you and Mr. Caldwell \$300 on one occasion and \$150 on another occasion.

MR. TROUTMAN. Mr. Moore never paid me 1 red cent.

MR. KENNEDY. So his testimony that he did——

MR. TROUTMAN. His testimony is absolutely an out-and-out lie. I realize I am under oath, and I certainly am not going to jeopardize myself. I think I still am a Christian at least.

THE CHAIRMAN. You still are what?

MR. TROUTMAN. I say I think I am still a Christian. I believe in telling the truth and not lying under oath.

THE CHAIRMAN. That is fine.

MR. KENNEDY. Mr. Tapper testified that you asked him for \$500.

MR. TROUTMAN. Mr. Tapper is lying also.

MR. KENNEDY. We have more liars.

MR. TROUTMAN. Well, I know, but, Mr. Kennedy, you have to give us a right to defend ourselves. Mr. Tapper didn't like me to begin with because I stopped in his shop twice and ridiculed him over the way he was doing his work, which was very sloppy, if I may say so. For that reason—now, he didn't accuse me of taking any money, but

when he said that I tried to get money for Cronin, he is lying. Mr. Cronin never asked me to take a penny from anybody, and had warned us against it.

Mr. KENNEDY. Mr. Cronin warned you against that?

Mr. TROUTMAN. Mr. Cronin; yes.

Mr. KENNEDY. We have had five contractors say that they gave him money.

Mr. TROUTMAN. I know nothing about that whatsoever, Mr. Kennedy.

Mr. KENNEDY. I want to point out to you that I don't think Mr. Cronin is a source of support for this.

Mr. TROUTMAN. Mr. Cronin never sent me to Tapper's shop at all. I went in there of my own accord, for the only reason of telling him to correct his work.

Mr. KENNEDY. Mr. Jolicoeur said you asked him for \$300 and he paid you \$300. Is that correct?

Mr. TROUTMAN. He never paid me a cent. I believe, if I heard right, Mr. Kennedy, pardon me for the interruption, but didn't he say that either me or Mr. Cronin?

Mr. KENNEDY. You are right; either you or Mr. Cronin.

Mr. TROUTMAN. Well, that is not definite. It certainly wasn't me, and I don't think it was Mr. Cronin.

Mr. KENNEDY. But you never did?

Mr. TROUTMAN. No, sir. I was in Mr. Jolicoeur's shop once, and that was to try to get him to come back into the union as him and his brother had been expelled for nonpayment of dues. He agreed to do that. One of them come back in the union a few weeks later and I don't believe the other one ever did. That is the only conversation I had with Mr. Jolicoeur.

Mr. KENNEDY. Did you have any conversation with anyone regarding how much they should bid on a certain contract?

Mr. TROUTMAN. No, sir.

Mr. KENNEDY. You never suggested that they not bid on a contract?

Mr. TROUTMAN. No, sir.

Mr. KENNEDY. And you never suggested to them that you would get in touch with a contractor who would then tell them how much to bid on the contract?

Mr. TROUTMAN. I never told no contractor that; no, sir.

To begin with, I wouldn't know who to get in contact with.

Mr. KENNEDY. Did you ever receive anything of value directly or indirectly from anyone?

Mr. TROUTMAN. At Christmastime; yes, sir.

Mr. KENNEDY. What did you receive?

Mr. TROUTMAN. Well, I received a couple of turkeys, maybe four or five cartons of cigarettes, five or six bottles of whisky that I don't use, and fruit cake, or something like that. No money, if that is what you are asking about.

Mr. KENNEDY. Well, anything of a value greater than \$50?

Mr. TROUTMAN. No, no, no, no. I don't think anything would be any more value than \$15 at the most.

The CHAIRMAN. The committee will take a 2-minute recess.

(A short recess was taken.)

(Members of the select committee present at time of recess were the chairman and Senator Kennedy.)

The CHAIRMAN. The committee will come to order.

Mr. KENNEDY. Mr. Troutman, can you give any explanation as to why these witnesses would testify that they gave you money?

Mr. TROUTMAN. Why they should?

Mr. KENNEDY. Yes.

Mr. TROUTMAN. No, I don't know, other than like I told you. Mr. Lischett, I just barely know that man. I don't even know where his shop is.

Mr. KENNEDY. I don't think that is necessary.

Mr. TROUTMAN. He accuses me of taking \$400 from him.

Mr. KENNEDY. Right.

Mr. TROUTMAN. The truth is I never took 4 cents from the man. I never had any conversations with him about money.

Mr. KENNEDY. You wouldn't have to know him well to take the \$400.

Mr. TROUTMAN. A man ain't going to give you \$400 without being asked for it, I don't think.

Mr. KENNEDY. Did you ask him for the \$400?

Mr. TROUTMAN. Sir?

Mr. KENNEDY. Did you ask him for the \$400?

Mr. TROUTMAN. I did not.

Mr. KENNEDY. Can you give us any explanation as to why so many of these contractors come in here and testify under oath that they have to make this payment in order to go into business in the Chicago area?

Mr. TROUTMAN. Mr. Kennedy, if I may, I don't know more than two or three that accuse me of anything.

Mr. KENNEDY. As a general practice. We have had 10 or so contractors, and I am sure that as time goes along we will get more as we continue to look, because, as I said this morning, at least 2 out of every 3 contractors that we interviewed stated that they made these payments to some member of the Sheet Metal Workers Union, to some official of this union.

You were included at least on one occasion. Can you give any explanation as to why contractors should come in here and testify under oath that they made the payment?

Mr. TROUTMAN. No. Among the smaller contractors at least, like Moore and Mr. Lischett, when you don't leave them run hog wild the way they want to operate, right away quick you gain their dislike at least. Whatever the proper term is right at the moment I can't grasp.

In fact, one of them openly stated that he would get even with a lot of us. For what, I don't know. But I can truthfully tell you like I did that I did not——

The CHAIRMAN. Which one?

Mr. TROUTMAN. Sir?

The CHAIRMAN. Which one?

Mr. TROUTMAN. Tapper, for one.

The CHAIRMAN. He is for one. How many for two?

Mr. TROUTMAN. Well, I don't know the others. But we hear reports from time to time.

The CHAIRMAN. That they said they would get even with them? Tapper said they would get even with them?

Mr. TROUTMAN. That is right.

The CHAIRMAN. Any others that you know of?

Mr. TROUTMAN. No, not that I can put my finger on right at the minute; no.

Senator KENNEDY. You said when you don't let them operate just the way they want to they get mad at you. What do you mean by that?

Mr. TROUTMAN. Well, when they are trying to put in an installation, we look at it in this light, Mr. Senator: When you pay \$600 or \$800 for a job of warm air, you are entitled to that much value, and when they just tack an ordinary piece of light metal across two wooden joints in the basement, instead of giving you a duct, you are getting cheated someplace along the line.

The thing don't operate and then they won't go back and fix it or anything else. When we get that kind of a contractor, the general calls us and hollers and we go out and try to correct it.

Senator KENNEDY. Isn't it up to the general contractor to give the work to another contractor, and it is not for you to police the contractor?

Mr. TROUTMAN. What I mean is this, Senator. The general contractor is responsible for the job. That we all agree on. You come along and buy the home and it don't operate. You get after the general contractor. He, in turn, calls the subcontractor. They ignore it, won't do nothing.

Then, as a last resort, they call us. We go out and very often the contractor will correct it. But very often them smaller ones will not correct it. That is what I meant.

Senator KENNEDY. So you are making the statement about Mr. Tapper that you believe that the reason he is making these charges about you is because he didn't do work that was satisfactory to the union?

Mr. TROUTMAN. That is right. That is my reason.

Senator KENNEDY. Over what contract did you have difficulty?

Mr. TROUTMAN. Well, I don't know right now, Senator, just which ones they were, but there were several of them.

Senator KENNEDY. Do you know what year?

Mr. TROUTMAN. Sir?

Senator KENNEDY. When did you have your argument with Tapper? Did you have a personal argument with him?

Mr. TROUTMAN. I think about 6 or 7 years ago.

Senator KENNEDY. How many times have you seen him?

Mr. TROUTMAN. Twice. I was in the man's shop twice in my life, both times to complain.

Senator KENNEDY. You went to his shop twice?

Mr. TROUTMAN. That is right.

Senator KENNEDY. Did you call him to tell him his work was unsatisfactory, or did you call him down to the shop?

Mr. TROUTMAN. No; I went down there in person.

Senator KENNEDY. The two times you have seen him were in his shop when you came to ridicule him about the work?

Mr. TROUTMAN. Twice I went into his shop, yes, sir, and that was 6 or 7 years ago, because I don't work that district any more and I

have no occasion to go in and see him. Just last year—pardon me, I got ahead of myself there.

Last year, Mr. Caldwell and me met Mr. Tapper. I don't recall what that was about, but he took us into the Elks Lodge and bought us dinner. Now, if we were holding him up like that, I don't know why he would invite us to be his guests. That is my statement.

Senator KENNEDY. If he was trying to get even with you, I don't know why he would either.

Mr. TROUTMAN. I don't know either, but he did.

Senator KENNEDY. Was it a pleasant dinner?

Mr. TROUTMAN. Yes; it was a nice dinner.

Senator KENNEDY. What about Mr. Lischett? Did you have a fight with him?

Mr. TROUTMAN. No.

Senator KENNEDY. You never talked to him about his work?

Mr. TROUTMAN. No, sir; I know who he is; that is all.

Senator KENNEDY. You have met him?

Mr. TROUTMAN. I have met him, yes, in a businesslike way.

Senator KENNEDY. Where?

Mr. TROUTMAN. I believe once or twice he came down to the union.

Senator KENNEDY. What did he come down there for?

Mr. TROUTMAN. To say hello, that was all. He didn't come down to see me. He probably came down to pay his dues or something.

Senator KENNEDY. He isn't in the union, is he? Do you mean the checkoff?

Mr. TROUTMAN. No.

Senator KENNEDY. Why would he come down to pay his dues?

Mr. TROUTMAN. Where else would you go to pay your union dues?

Senator KENNEDY. He is not in the union; is he?

Mr. TROUTMAN. Sir?

Senator KENNEDY. Is he in the union?

Mr. TROUTMAN. I believe he is a member of the union. I am not sure of that either. I believe he is out on a withdrawal card, if my memory serves me rightly.

Senator KENNEDY. Maybe he is in the union.

Mr. TROUTMAN. He wouldn't pay when he was on a withdrawal card, but up to that time he would.

Senator KENNEDY. That is the only occasion you saw him?

Mr. TROUTMAN. That I recall.

Senator KENNEDY. He isn't a member of the union. He is not paying his dues. Does he have a withdrawal card?

Mr. TROUTMAN. When he has a withdrawal card he does not pay dues.

Senator KENNEDY. Then why would he have been down at the union?

Mr. TROUTMAN. This was probably before he got the withdrawal card. I don't know, Senator, just what date or hour it was. I don't know why you are all laughing, either. I think I am entitled to a little more courtesy than that.

Senator KENNEDY. I am not laughing at you. I am trying to get it organized in my mind.

Mr. TROUTMAN. Everybody is laughing. I am trying to answer your questions as truthfully as I can.

Senator KENNEDY. Well, I don't mean to be laughing.

The CHAIRMAN. All right; let's cease laughing and see if the witness can concentrate. Proceed.

Mr. TROUTMAN. I can't concentrate very well, Senator, if everybody is laughing at me. I don't want to be up here like a goof.

The CHAIRMAN. Just a moment. I will stop the laughing insofar as I can.

Senator KENNEDY. I am finished, Mr. Chairman.

The CHAIRMAN. I want to ask you one question, Mr. Troutman.

Mr. TROUTMAN. I will be glad to answer you.

The CHAIRMAN. I believe you said—was it Mr. Lischett who left the envelope there?

Mr. TROUTMAN. No; I did not say that. Mr. Caldwell said that.

The CHAIRMAN. Then Mr. Caldwell is the one I want to interrogate.

Mr. Caldwell, you said, I believe, that Mr. Lischett left the envelope with \$200 in it? Is he the one?

Mr. CALDWELL. He left the envelope with \$200 in it, with the girl at the switchboard. A sealed envelope with my name on it.

The CHAIRMAN. Did you open it?

Mr. CALDWELL. I did, sir.

The CHAIRMAN. You found in it \$200?

Mr. CALDWELL. \$200.

The CHAIRMAN. What did you do with the envelope?

Mr. CALDWELL. I took the envelope back to Mr. Lischett, the envelope and the money, just the way he give it to me, with the exception that it had been opened.

The CHAIRMAN. How long after the envelope was given to you?

Mr. CALDWELL. Well, I went back to his shop on several occasions. It is quite a way out, and we don't always get out that far. I couldn't find anybody there.

The CHAIRMAN. You said he just came in there and laid it down without any reason at all?

Mr. CALDWELL. He handed it to the girl at the desk, the switchboard.

The CHAIRMAN. No reason, no prearrangements, no understanding, or anything?

Mr. CALDWELL. Nothing so far as I know.

The CHAIRMAN. Mr. Troutman, I heard you say "Who would do a thing like that a while ago."

Mr. TROUTMAN. To give me \$400. I don't know anything about this money.

The CHAIRMAN. But you raise the question on who would do it. I see your associate has had a different experience.

Mr. TROUTMAN. That very well could be, Senator.

The CHAIRMAN. I didn't quite understand it.

Mr. TROUTMAN. I am sorry if I didn't explain myself right, properly.

The CHAIRMAN. All right, Mr. Caldwell, you gave back to Mr. Lischett the same envelope, did you?

Mr. CALDWELL. The same envelope and the same bills that were in it.

The CHAIRMAN. And the same bills that were in it?

Mr. CALDWELL. Yes, sir.

The CHAIRMAN. The envelope had been left at the union headquarters on a desk, had it?

Mr. CALDWELL. Not on a desk. Handed to the girl at the switchboard desk, through the window.

The CHAIRMAN. Handed to the girl at the switchboard desk through the window. Were you in the building at the time?

Mr. CALDWELL. No, sir.

The CHAIRMAN. How long after the money had been left for you was the envelope delivered to you?

Mr. CALDWELL. I believe it was the next day.

The CHAIRMAN. You think it was the next day?

Mr. CALDWELL. Yes, sir.

The CHAIRMAN. How long was it after that before you gave the envelope back?

Mr. CALDWELL. As I say, I went back on several occasions and never found anybody in the shop. One day I went back there and a man in an office near his shop was there and I asked him if he knew where I could find Mr. Lischett. He said, "Yes, I know the job they are working on today," which was probably 2 or 3 miles from where his shop was.

I went out and found him at that job and handed him back the envelope with the money in it in that house that he was working on. It was a house that had been occupied, but there was nobody in it. They were doing some remodeling of the heating system.

The CHAIRMAN. What did you say to him when you handed him the envelope?

Mr. CALDWELL. I said, "Here is the envelope that you left at the office, Walter, and I don't know what you left it there for."

The CHAIRMAN. What did he say?

Mr. CALDWELL. He didn't say anything.

The CHAIRMAN. He didn't say anything?

Mr. CALDWELL. No, sir. He just took the envelope and the money, took the money out and counted it and put it in his pocket.

The CHAIRMAN. He didn't say a word?

Mr. CALDWELL. No, sir.

The CHAIRMAN. You didn't ask him why he left it there?

Mr. CALDWELL. I said, "I don't know why you left it there."

The CHAIRMAN. Is that all that was said between you?

Mr. CALDWELL. That is all, sir.

The CHAIRMAN. Nothing else?

Mr. CALDWELL. No, sir.

The CHAIRMAN. How long after the money had been left, or after it had been turned over to you, was it before you think—you said you made trips—before you returned it?

Mr. CALDWELL. Well, it was several weeks, if I remember right. Senator. I called on several occasions, and got no answer. When I was out in that direction I stopped at the shop on several occasions. I found no one there. This one day I was lucky enough to find somebody that knew where he was.

The CHAIRMAN. Mr. Lischett, come forward, please.

Mr. Lischett, you have already been sworn. I want to ask you about the return of the envelope in which you left the money. You say you left \$400 in the envelope?

Mr. LISCHETT. That is correct, sir.

The CHAIRMAN. Did you hand it to the girl at the switchboard?

Mr. LISCHETT. I notified the girl at the switchboard that I came to the union to see Mr. Caldwell. I handed her the envelope. I was told to sit down and wait. Mr. Caldwell was in the office. I went down to Mr. Caldwell, his office, and we signed a union agreement at that time.

The CHAIRMAN. At that time he was there?

Mr. LISCHETT. Yes, sir.

The CHAIRMAN. Did you tell him you had left the envelope?

Mr. LISCHETT. Yes, sir.

The CHAIRMAN. You told him at the time that you had left the money?

Mr. LISCHETT. Yes, sir.

The CHAIRMAN. Did you say "money" or "envelope"?

Mr. LISCHETT. Envelope.

The CHAIRMAN. He knew what you meant?

Mr. LISCHETT. Yes, sir.

The CHAIRMAN. Was the envelope ever returned to you?

Mr. LISCHETT. Yes, sir; at a later date. I would say a good month or maybe 2 months after that. Mr. Caldwell came out on the job site in Des Plaines, Ill. At that time I had my steamfitter with me, whose name is Mike Porter.

Mr. Porter had a financial investment in the company at the time with me. And Mr. Porter, myself and Mr. Caldwell had quite a heated discussion about this union payoff.

The CHAIRMAN. At that time?

Mr. LISCHETT. At that time, at that house. Mike, Mr. Melvin Porter, got quite hostile and told him at that time Senator Kefauver was having some kind of investigating committee, and told him at that time if he didn't lay off and leave us alone that he was going to turn it over to Mr. Kefauver.

From that day on I have not seen Mr. Caldwell. At this time, as far as Mr. Troutman goes, I met Mr. Troutman four times. Mr. Troutman has never asked me for any money. He ran me off the job in Joliet, Ill. I had a helper's permit, working for L. H. Sohn, and he came out on the job site and said, "Helpers are not allowed here. Get back to the shop."

I went back to the shop of L. H. Sohn, and they had quite a discussion over there. To make a long story short, about a week later I was laid off. I went back to the union hall and told Mr. Troutman I was laid off as a helper and I had the ability to work as journeyman. Mr. Troutman signed my card as a journeyman.

That is the only time that I have talked to Mr. Troutman. At no time did he ask me for any money.

The CHAIRMAN. At the time the money was returned to you, who returned it to you?

Mr. LISCHETT. Mr. Caldwell.

The CHAIRMAN. In your presence?

Mr. LISCHETT. I was on the job site; yes, sir.

The CHAIRMAN. Did you see him deliver it to Mr. Porter?

Mr. LISCHETT. I have the envelope that he gave, sir.

The CHAIRMAN. Do you still have it?

Mr. LISCHETT. Yes, sir.

The CHAIRMAN. Do you have it with you?

Mr. LISCHETT. No, sir.

The CHAIRMAN. How was it addressed?

Mr. LISCHETT. Just the Acme Heating name on it and the envelope.

The CHAIRMAN. Written on there or printed?

Mr. LISCHETT. Printed, sir.

The CHAIRMAN. Your stationery?

Mr. LISCHETT. Yes, sir.

The CHAIRMAN. And when the envelope was returned to you, what was in it?

Mr. LISCHETT. At that time, sir, at that time when Mr. Caldwell gave the envelope to Mike Porter, nothing was in it to my knowledge. I did not count any money and neither did Mike count any money.

The CHAIRMAN. If there was only \$200 in it, was that half of what you paid?

Mr. LISCHETT. I paid \$400, sir.

The CHAIRMAN. And there was no \$400 returned to you?

Mr. LISCHETT. No, sir.

The CHAIRMAN. Or any other amount returned to you?

Mr. LISCHETT. No, sir.

The CHAIRMAN. Where is Mr. Porter?

Mr. LISCHETT. Mr. Porter lives in Windsor, Vt., sir.

The CHAIRMAN. He lives now in Vermont?

Mr. LISCHETT. Yes, sir.

The CHAIRMAN. I will direct the staff to immediately check on this statement.

One of you parties is not telling the truth. That is perfectly obvious.

Mr. COHEN. Senator McClellan, I believe under your rules we are permitted to suggest a question for cross-examination to another witness?

The CHAIRMAN. You are permitted to ask a question.

Mr. COHEN. May I ask you, sir, to pose the question to this witness: What, if anything, was in the envelope that you received?

The CHAIRMAN. I shall.

Was there anything in the envelope? If so, what?

Mr. LISCHETT. I did not receive the envelope to start with. Mr. Porter received it, and there was nothing in the envelope to my knowledge.

The CHAIRMAN. Not anything?

Mr. LISCHETT. No, sir. Air.

The CHAIRMAN. Air?

Mr. LISCHETT. That is right.

The CHAIRMAN. Nothing else?

Mr. LISCHETT. That is right, sir.

Senator KENNEDY. Why would Mr. Caldwell return an empty envelope 5 weeks later when the transaction was in confidence between you and he?

Mr. LISCHETT. I don't know, sir. All I know is that Mr. Caldwell and Mike Porter at that time had quite a heated discussion in this house.

Senator KENNEDY. Did you inform the members of the staff that you had received this envelope back previous to your testimony?

Mr. LISCHETT. I told the committee that I had an envelope.

Senator KENNEDY. You informed the staff that Mike Porter had received this envelope back?

Mr. LISCHETT. Mike Porter.

Senator KENNEDY. You don't know whether there was any money in it or not; is that correct?

Mr. LISCHETT. No, sir.

Senator KENNEDY. You are not ready to say that you know that it was empty. You just are saying that you don't know whether it had money or not?

Mr. LISCHETT. I know that Mike Porter and I didn't count on any money, because as far as my knowledge goes, there was no money in it.

Senator KENNEDY. Did you look?

Mr. LISCHETT. When Mike gave me the envelope, the envelope was empty.

Senator KENNEDY. How long after he received it from Mr. Caldwell did Mike give it to you?

Mr. LISCHETT. I would say no longer than 4 or 5 minutes.

Senator KENNEDY. Then you don't know for a fact whether it had money or did not have money when Mr. Caldwell gave it to Mike?

Mr. LISCHETT. No, I don't know, sir.

Senator KENNEDY. Can you give me any possible explanation as to why, when you gave this money to Mr. Caldwell in his office at a private transaction involving \$400 in cash, why 5 weeks later he would have that envelope with him and run into the both of you and have an argument with you and turn over an envelope which was empty to Mr. Porter?

I don't understand what possible reason there could be for him to do that.

Mr. LISCHETT. I can see no possible reason for him to be at the house to start with.

Senator KENNEDY. What possible reason would he have to carry that envelope around with him and then give an empty envelope to Mr. Porter, your assistant?

Mr. LISCHETT. I don't know, sir.

Senator KENNEDY. Is it possible that what he is saying is the truth, that he had money in it, that you gave the money and he didn't want the money and he turned the money back to Mr. Porter to give to you? Is that possible?

Mr. LISCHETT. Possible; but very improbable.

Senator KENNEDY. Is it any more improbable than he could give Mr. Porter an empty envelope?

Mr. LISCHETT. I don't think so, sir.

Senator KENNEDY. I don't understand this transaction. Has Mr. Porter been asked by the staff as to whether there was any money there when he got the envelope?

Mr. LANGENBACHER. No, sir. He is in Vermont.

The CHAIRMAN. I have instructed the staff to contact him.

Senator KENNEDY. It is a strange story, first because it seems to me Mr. Caldwell would have looked at the envelope.

Was the envelope given to you or to a girl in the office?

Mr. CALDWELL. Given to the girl at the switchboard, Senator.

Senator KENNEDY. Is that correct?

Mr. LISCHETT. That is correct.

Senator KENNEDY. I think we would have to wait on what Mr. Porter stated was in the envelope when it was given to him.

To the best of your knowledge, he told you there was nothing in the envelope?

Mr. LISCHETT. That is correct. I have the envelope at the shop someplace. In fact, I was looking for it when the investigator was there.

Senator KENNEDY. There still is a basic discrepancy between your story or Mr. Porter's story and Mr. Caldwell's. On the other hand, I don't see a logical explanation for Mr. Caldwell to turn the envelope over to Mr. Porter unless there was something in it.

Mr. CALDWELL. I didn't even know Mr. Porter.

Mr. KENNEDY. What was the conversation that took place at the time he came out?

Mr. LISCHETT. It basically was on union dealings, about making payoffs to the unions and different things like that. Mike Porter was a member of the Steamfitters local for a number of years. I was a member in good standing of our Sheet Metal local for a number of years, and we saw no reason why we should have to pay off the union, especially in getting started.

You need all the money you can get. It just started out in a heated discussion and that was it.

Mr. KENNEDY. Did you meet Mr. Porter there?

Mr. CALDWELL. I met him that day for the first time.

Mr. KENNEDY. Did you have this discussion about payoffs?

Mr. CALDWELL. I had no discussion with the man. I never met the man until I walked in that house.

Mr. KENNEDY. Did he say that he was going to turn this over to Mr. Kefauver?

Mr. CALDWELL. Not a word.

Mr. KENNEDY. You never had any conversation with Mr. Porter at all?

Mr. CALDWELL. That is right, sir.

Mr. KENNEDY. None at all?

Mr. CALDWELL. None at all.

Mr. KENNEDY. You say Mr. Porter did discuss this?

Mr. LISCHETT. That is right.

Mr. CALDWELL. The only man I talked to was Mr. Lischett.

Mr. KENNEDY. How did you know he was there?

Mr. CALDWELL. There were two men in the house.

Mr. KENNEDY. Did you meet Mr. Porter?

Mr. CALDWELL. I met him for the first time.

Mr. KENNEDY. What conversation did you have with him?

Mr. CALDWELL. I had none with him because he was a steamfitter and didn't come under my jurisdiction.

Mr. KENNEDY. He didn't say anything to you?

Mr. CALDWELL. No, sir.

Mr. KENNEDY. Where did you meet him?

Mr. CALDWELL. Mr. Porter? At the house where they were working.

Mr. KENNEDY. Inside the house or outside?

Mr. CALDWELL. Inside the house.

Mr. KENNEDY. There was never any discussion about labor union officials shaking down employers?

Mr. CALDWELL. Not a thing.

Mr. KENNEDY. You say there was?

Mr. LISCHETT. Absolutely.

Mr. KENNEDY. How long were you out there with Mr. Porter and this gentleman?

Mr. CALDWELL. I would say I was there for 15 minutes.

Mr. KENNEDY. Why were you there for 15 minutes?

Mr. CALDWELL. We were just talking about business and the job they were doing.

Mr. KENNEDY. I thought you just returned the envelope to them and said, "Here is your money back," and he didn't say anything.

Mr. CALDWELL. I did that. He didn't say nothing. I gave the envelope to Mr. Lischett.

Mr. KENNEDY. Then you left?

Mr. CALDWELL. Then I left.

Mr. KENNEDY. Where did the rest of the 14½ minutes go?

Mr. CALDWELL. When I went in there I handed Mr. Lischett the envelope and told him that he had come down to my office and handed it to the girl, and I didn't know what it was for.

Mr. KENNEDY. Right.

Mr. CALDWELL. Mr. Lischett took the envelope, took the money out of it and put it in his pocket and said no more about it. Then I talked about the job that they were doing, and I left.

It might have been 10 minutes; it might have been 12 minutes. I don't know the exact time.

Mr. KENNEDY. And you talked to Mr. Lischett about the job?

Mr. CALDWELL. Mr. Lischett; and I met Mr. Porter.

Mr. KENNEDY. But you didn't have any conversation?

Mr. CALDWELL. No conversation.

Mr. KENNEDY. That was just about generally the work out there?

Mr. CALDWELL. That is right.

Mr. KENNEDY. If somebody had just tried to bribe you with \$200, why did you carry on this conversation with him about general business conditions?

Mr. CALDWELL. Well, after all, he was one of my contacts.

Mr. KENNEDY. Weren't you outraged that he tried to bribe you?

Mr. CALDWELL. I was.

Mr. KENNEDY. Why did you have a conversation with him?

Mr. CALDWELL. Well, that is an everyday occurrence.

Mr. KENNEDY. Bribing?

Mr. CALDWELL. No; having a conversation with a contractor.

The CHAIRMAN. Have you ever had this experience before, that somebody came in and left \$300 or \$400 on your desk?

Mr. CALDWELL. Never did.

The CHAIRMAN. That was an unusual thing, too, was it not?

Mr. CALDWELL. To have him leave it there?

The CHAIRMAN. I mean this money being left there for you.

Mr. CALDWELL. It was very unusual. I don't know what it was all about.

The CHAIRMAN. Have you ever had that experience before?

Mr. CALDWELL. No, sir.

The CHAIRMAN. Have you, Mr. Troutman?

Mr. TROUTMAN. Never.

The CHAIRMAN. You never had such an experience before?

Mr. TROUTMAN. Never.

The CHAIRMAN. Then it would be a most unusual thing.

Mr. CALDWELL. It was unusual.

The CHAIRMAN. How can you account for a man walking in there and laying down \$200?

Mr. CALDWELL. I couldn't account for it.

The CHAIRMAN. You can't account for it now?

Mr. CALDWELL. No, sir.

The CHAIRMAN. That is a strange thing.

Can you give an accounting for it, other than what you have given?

Mr. LISCHETT. No, sir.

The CHAIRMAN. The accounting you have given you swear is correct?

Mr. LISCHETT. I do, sir.

Mr. KENNEDY. And that was in order for you to start business?

Mr. LISCHETT. In order for me to do new construction, sir.

Mr. KENNEDY. He told you that he wanted the \$400 prior to that time?

Mr. LISCHETT. That is correct.

Mr. KENNEDY. And you paid the \$400 at his request?

Mr. LISCHETT. That is correct.

Mr. KENNEDY. You are directly contradicting in your testimony on this point?

Mr. LISCHETT. I am contradicting Mr. Caldwell.

Senator KENNEDY. Did you say that you gave the envelope to Mr. Lischett?

Mr. CALDWELL. Yes, sir.

Senator KENNEDY. Mr. Lischett, did you say that he gave the envelope to Mike Porter?

Mr. LISCHETT. That is correct.

Senator KENNEDY. He didn't hand it to you?

Mr. LISCHETT. No, sir.

Senator KENNEDY. He stated that you opened the envelope and put the money in your pocket. You state that he gave it to Mr. Porter, and Mr. Porter held it for 4 or 5 minutes and then showed it to you, and at that time it was empty?

Mr. LISCHETT. That is correct.

Senator KENNEDY. It seems to me that Mr. Porter is a witness to this thing very clearly and should be able to settle this matter.

Mr. KENNEDY. What is Mr. Porter's first name?

Mr. LISCHETT. Melvin.

Mr. KENNEDY. We have also had testimony of Mr. Moore, Mr. Chairman, and I would like to have him come forward. We had testimony that he paid.

The CHAIRMAN. Come forward, Mr. Moore.

You will remain under your same oath.

Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Moore, did you in fact pay Mr. Caldwell \$300 at one time and \$150 at another time?

Mr. MOORE. We paid \$300 for the original shop when we started out, and then the other time I paid \$150.

Mr. KENNEDY. That was paid to Mr. Caldwell?

Mr. MOORE. Yes, sir.

Mr. KENNEDY. It was put down on the bench and he was the one that was in the room; is that correct?

Mr. MOORE. The first time.

Mr. KENNEDY. And he requested that you pay the money; is that right?

Mr. MOORE. Yes, sir.

Mr. KENNEDY. Is this correct, Mr. Caldwell?

Mr. CALDWELL. No, sir; it is not correct.

Mr. KENNEDY. And the \$150, the second payment that you made, was that requested by Mr. Caldwell?

Mr. MOORE. Yes, sir.

Mr. KENNEDY. And you paid him the money at that time?

Mr. MOORE. I took that down to the hall.

Mr. KENNEDY. And put it on a table?

Mr. MOORE. On a desk.

Mr. KENNEDY. And he was present? He told you to put the money there?

Mr. MOORE. Well, they was in the hall.

Mr. KENNEDY. And he told you to put the money there?

Mr. MOORE. Yes, sir.

Mr. KENNEDY. And he told you to bring the money down to the union headquarters?

Mr. MOORE. Yes, sir.

Mr. KENNEDY. Is that correct, Mr. Caldwell?

Mr. CALDWELL. Incorrect.

Mr. KENNEDY. You never received any money at all from Mr. Moore?

Mr. CALDWELL. None whatever.

Mr. KENNEDY. Did you ever receive any money or anything of value directly or indirectly from any contractor?

Mr. CALDWELL. Nothing outside a fruitcake, a basket of fruit, or a bottle of whisky at Christmas.

Mr. KENNEDY. Anything worth more than \$50?

Mr. CALDWELL. No, sir.

Mr. KENNEDY. Did you ever receive anything of value worth more than \$50 directly or indirectly from any contractor?

Mr. CALDWELL. No, sir.

Mr. KENNEDY. Did you ever receive anything of value worth more than \$50 directly or indirectly?

Mr. TROUTMAN. I don't believe so, Mr. Kennedy.

Mr. KENNEDY. What do you mean you don't think so?

Mr. TROUTMAN. Well, I don't know the value of some of these things, a couple of bottles of whisky. It might be \$2 a bottle or—I am not a judge of whisky.

Mr. KENNEDY. Other than the two bottles of whisky, did you ever receive anything of value from any contractor, directly or indirectly?

Mr. TROUTMAN. No. Cigarettes or baskets of fruits.

Mr. KENNEDY. That is not above \$50?

Mr. TROUTMAN. No, sir.

Mr. KENNEDY. So you never received anything of value directly or indirectly from any contractor?

Mr. TROUTMAN. That is right.

Mr. KENNEDY. Could we call Mr. Wells, Mr. Chairman?

The CHAIRMAN. Mr. Wells, come forward, please.

You will remain under the same oath.

Proceed, Mr. Kennedy.

Mr. KENNEDY. You have testified here under oath about the payments to Mr. Caldwell of \$150 and then \$200 and \$400.

Mr. WELLS. Yes, sir.

Mr. KENNEDY. You did make those payments to him?

Mr. WELLS. Yes, sir.

Mr. KENNEDY. You gave it to him in cash?

Mr. WELLS. Yes, sir.

Mr. KENNEDY. And he requested the money from you?

Mr. WELLS. Yes, sir.

Mr. KENNEDY. Did you make those payments?

Mr. CALDWELL. I didn't receive the money.

Mr. KENNEDY. Did you ever request the money from him?

Mr. CALDWELL. No, sir.

Mr. KENNEDY. So this testimony of Mr. Wells is inaccurate, untrue?

Mr. CALDWELL. Yes, sir.

Mr. KENNEDY. Is the testimony of Mr. Caldwell that he denies that he requested the payments and denies that he received the payments inaccurate and untrue, Mr. Wells?

Mr. WELLS. Would you repeat that, please?

Mr. KENNEDY. Is the testimony of Mr. Caldwell when he denies that he received the payments from you inaccurate and untrue?

Mr. WELLS. Yes. It is untrue.

The CHAIRMAN. Is there anything further?

If not, thank you very much.

Is there anything of these other witnesses?

Mr. KENNEDY. Not now, Mr. Chairman. We might have Mr. Caldwell stand by.

The CHAIRMAN. You will not need the other witness?

Mr. KENNEDY. I don't think so.

The CHAIRMAN. I think, Mr. Troutman, you may be excused from further attendance at this time.

Mr. Caldwell, it may be well for you to remain over until tomorrow. There may be some further testimony that you will be confronted with.

Mr. TROUTMAN. Thank you.

Mr. CALDWELL. Thank you.

Mr. COHEN. Senator, at what time tomorrow do you wish Mr. Caldwell to return?

The CHAIRMAN. When we recess, it will be until 10:30 in the morning.

Mr. COHEN. Are the other witnesses excused at this time?

The CHAIRMAN. Counsel suggested we get started at 10 o'clock. That will be all right with me, so the recess will be until 10 o'clock in the morning.

Mr. COHEN. I wanted to ask whether the witnesses Kaberlein, Howard, Cronin, would also be requested to return tomorrow or whether they are excused at this time until further notice.

The CHAIRMAN. I believe they can be excused.

Will you need them?

Mr. KENNEDY. No, as long as we have the understanding to contact Mr. Cohen.

The CHAIRMAN. May I say with respect to the witnesses you have represented, Mr. Cohen, do I understand that if further testimony is needed, you will be responsible for seeing that they return without further subpoena?

Mr. COHEN. I think I arranged for their appearance thus far.

The CHAIRMAN. If there is any question I want to call them up here now and put them under recognizance to reappear.

Mr. COHEN. You mean you are holding the same subpoena in effect, Senator?

The CHAIRMAN. That is right.

Mr. COHEN. They will be given their travel allowance, and so forth?

The CHAIRMAN. Yes. There is no question about that. If you accept recognizance for them to reappear at such time as the committee may desire, if it does, further testimony from them without being subpoenaed, resubpoenaed, they will remain under their present subpoena, they will be given reasonable notice of the time and place where this committee desires to hear them. In all probability, that place will be right here.

Mr. COHEN. I will rely on your sense of fairness as to what is reasonable notice, and we will be guided accordingly.

The CHAIRMAN. And you will be responsible for their presence, as their counsel.

Mr. COHEN. Within the reach of my ability, yes, sir.

The CHAIRMAN. All right. Call the next witness.

Mr. KENNEDY. Mr. Tracy.

The CHAIRMAN. Do you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. TRACY. I do.

TESTIMONY OF JAMES T. TRACY, ACCOMPANIED BY COUNSEL, GEORGE F. CALLAGHAN

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. TRACY. James T. Tracy, 1642 Uland Avenue, Chicago, Ill., secretary-treasurer of the Sheet Metal Workers International Union, Local 73.

The CHAIRMAN. You have counsel, Mr. Tracy?

Mr. TRACY. Yes; I do.

The CHAIRMAN. Will you identify yourself, Mr. Counsel?

Mr. CALLAGHAN. George F. Callaghan, 105 West Adams, Chicago, member of the Illinois bar.

Mr. KENNEDY. How long have you been with the Sheet Metal Workers?

Mr. TRACY. I was with the Sheet Metal Workers, Local 159, from 1929 to 1944, when the amalgamated local 159 was 73, and I have been with them since. I have been secretary-treasurer of the union since 1948.

Mr. KENNEDY. How long have you been secretary-treasurer?

Mr. TRACY. Since 1948.

Mr. KENNEDY. Since 1948?

Mr. TRACY. Yes, sir.

Mr. KENNEDY. You received \$350 a week salary?

Mr. TRACY. \$18,200 a year; yes, sir.

Mr. KENNEDY. And \$258 a month expense allowance?

Mr. TRACY. No; I received \$3,100 in expense account.

Mr. KENNEDY. Have you had any other source of income since 1950 other than your Sheet Metal Workers?

Mr. TRACY. Yes; I have.

Mr. KENNEDY. What has that been?

Mr. TRACY. Well, I get expenses from the Sheet Metal Workers International Union, if I am sent on conventions or to meetings, and I have some stock, and I was president of a building company.

Mr. KENNEDY. What was the building company?

Mr. TRACY. Kern-Weber Corp.

Mr. KENNEDY. What is that?

Mr. TRACY. Kern & Weber Corp.

Mr. KENNEDY. Beyond that, have you had any other source of income?

Mr. TRACY. Just from my stock.

Mr. KENNEDY. What was the stock in; stock in what companies?

Mr. TRACY. The Able Co.

Mr. KENNEDY. What kind of a company is that?

Mr. TRACY. A sign-erecting company.

Mr. KENNEDY. Is that in Chicago?

Mr. TRACY. Yes, sir.

Mr. KENNEDY. Any other company?

Mr. TRACY. No, sir.

Mr. KENNEDY. Now, have you heard of the practice of requiring contractors to pay a certain amount of money in order to open up a union shop?

Mr. TRACY. No; I haven't.

Mr. KENNEDY. Have you ever received any money from any contractors, directly or indirectly, yourself?

Mr. TRACY. No, sir; I haven't.

Mr. KENNEDY. You have not?

Mr. TRACY. No, sir.

Mr. KENNEDY. Do you know of any of your fellow union officials who have received any money directly or indirectly from any such shop?

Mr. TRACY. No, sir.

Mr. KENNEDY. Have you received anything of value directly or indirectly—and when I speak of value, I mean more than \$50—directly or indirectly from any contractor?

Mr. TRACY. No, sir; I have not.

Mr. KENNEDY. Do you have your records available?

Mr. TRACY. Yes; I do.

Mr. KENNEDY. Could you make those available to the committee?

Mr. TRACY. Yes; I will.

Mr. KENNEDY. Do you want to turn them over?

Mr. TRACY. Yes.

The CHAIRMAN. You were served with a subpoena for these records. were you?

Mr. TRACY. Yes, sir; I was.

The CHAIRMAN. Have you complied with the subpoena by delivering all of the records and by bringing all of the records here?

Mr. TRACY. Yes, sir; I have.

The CHAIRMAN. All of the records called for by the subpoena?

Mr. TRACY. Well, I am short some checks, of 1954 and 1955 and 1956, that the Internal Revenue just has gotten through going over those years with me, and we have been housecleaning and I don't know whether the records of the checks are there, but the bank statements are there, and I don't know whether they are in my home or office, but I think that I will try to find them.

The CHAIRMAN. You have complied as fully as you could or have been able to up to date?

Mr. TRACY. That is right, sir.

The CHAIRMAN. There are some missing that you may be able to find?

Mr. TRACY. That is right; they are canceled checks.

The CHAIRMAN. There are some canceled checks?

Mr. TRACY. That is right.

The CHAIRMAN. Is that all that is missing, as far as you know?

Mr. TRACY. That is right; as far as I know.

The CHAIRMAN. All right. You may deliver to a member of the staff, or the clerk of the committee may receive the documents and the records.

Mr. CALLAGHAN. He would like to have a receipt for the documents.

The CHAIRMAN. You will get a receipt. We will prepare a receipt for them.

Mr. KENNEDY. That will be all for Mr. Tracy until we have had an opportunity to examine the records.

The CHAIRMAN. You may stand aside, and we will arrange with the clerk and the clerk will give you a receipt for the records.

Mr. CALLAGHAN. May we be excused? We will stand, subject to reasonable notice, of course.

The CHAIRMAN. All right, under the present subpoena, subject to call at such time as the committee may need further testimony from you, Mr. Tracy.

Is there anything further this afternoon?

Mr. KENNEDY. That is all, Mr. Chairman.

The CHAIRMAN. The Chair may announce that subject to one or two other witnesses whom we will try to procure, whose testimony we will try to get in connection with this matter of shakedown and racketeering in connection with the Sheet Metal Workers Union, along the lines of the testimony that has been developed here—subject to getting these witnesses available and getting their testimony, this will conclude that phase of this series of hearings.

The Chair has previously observed in the course of the taking of the testimony that there is considerable evidence or testimony of witnesses before the committee in this particular series of hearings that is in irreconcilable conflict. There is no way to reconcile it and find the truth. There is no way to accept it as being honest differences of opinion, and there is definitely willful perjury present before this committee, having been committed by some of the witnesses who have testified.

The committee has no power to prosecute or to enforce the laws against perjury or any other crime. For that reason, as we have heretofore stated this complete record will go to the Justice Department, because those who have imposed upon this committee and upon their Government by coming here and willfully perjuring themselves, belong in the penitentiary, and I hope that will be the end result, and the fruits of the labors of the Justice Department, who has the responsibility for pursuing it and to the end that justice may be meted out to those who are guilty.

Are there any further statements?

Of course, it goes without saying that as counsel has suggested to me, this practice we find from evidence before the committee is going on, this shakedown and this paying for the privilege of working, and paying for the privilege of operating a business or buying what we call labor peace, this is not the only instance of it. We have had others.

It is an outrageous situation, and it is un-American, and it should not prevail or be permitted to exist in any decent society anywhere. It is a parasite upon the economy of this country. There is hardly anything that you could say about it that could be restrained.

I am hopeful that not only the Justice Department will be able to perform with effective results, but I am also hopeful that the Congress of the United States will meet its responsibility by the enactment of legislation, not union-busting legislation, but racketeer and gangster and hoodlum and thug and crook and criminal busting legislation.

These practices, these evil practices, and these improper activities that we have discovered prevail in some areas must be stopped. If the Congress fails to enact such legislation, in my judgment it will be seriously derelict in its responsibility, and the whole country will suffer as a result of its failure, and lack of courage to meet its responsibility, and I hope all good citizens in this country will support the effort that will be made to get legislation to deal with these elements that are not only unwholesome, but are criminal, not only in intent, but in their purposes and in their activities.

The committee will stand in recess until 10 o'clock in the morning. (Thereupon, at 4 p.m., the committee recessed, to reconvene at 10 a.m., Thursday, December 4, 1958.)



APPENDIX

EXHIBIT No. 1A

The Coleman Company, Inc.

WICHITA 1, KANSAS

8 May 1952

James L. Johnson, General Vice President
International Business Machines Bank and Trust Company,
Chicago, Illinois

Mr. Johnson:

Mr. Johnson will introduce Mr. J. L. Johnson, General Vice President and
General Manager of this company.

Mr. Johnson will be in your city next week and, at that time, will
be in need of a substantial amount of cash. Since we do not wish
to pay the amount needed on his person when he travels, we are
presenting him with \$10,000.00, payable to his bank in the
amount of \$1,000.00. We ask that you cash this check for him and
present it to him.

We will note that Mr. Johnson has been given the check with the written
This is to be your additional identification.

Thank you for the courtesies extended to Mr. Johnson.

Sincerely,

Secretary

J. A. Dye/bh

The Coleman Company, Inc.
WICHITA, KANSAS

1015

5 8 52

PAY TO THE ORDER OF

WILLIAM S. COLEMAN

CONTINENTAL ILLINOIS NATIONAL BANK & TRUST COMPANY

CHICAGO, ILLINOIS

22 MAY 1932

1,000.00

THE COLEMAN COMPANY, INC.

W. S. Coleman

W. S. Coleman

22 MAY 1932

EXHIBIT No. 1C

CHECK REQUISITION

The Coleman Company, Inc.

PAYABLE TO

Sentinial Illi Hall at 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 8

AMT 8 1/2 000

IN PAYMENT OF

Blind
Letter
Key
S & B.

[illegible]

John

EXHIBIT No. 2A

The Coleman Company, Inc.GENERAL OFFICES
WICHITA, KANSASFACTORIES
WICHITA, KANSAS
LA PUENTE, CALIFORNIA
TORONTO, CANADAJ. A. DYE
SECRETARY AND
ASSISTANT CONTROLLERMANUFACTURERS OF
HOUSEHOLD APPLIANCES FOR HEATING
LIGHTING, COOKING, AND IRONING

WICHITA 1, KANSAS

15 January 1953

SALES OFFICES
LOS ANGELES
SAN FRANCISCO
MINNEAPOLIS
MONTREAL
NEW YORK

[Handwritten signature]

James P. Johnson, Second Vice President
Continental Illinois National Bank and Trust Company,
Chicago, Illinois

Dear Mr. Johnson:

In May, 1952, it was necessary for Mr. C. L. Burrows, Vice President and General Sales Manager, to present a check at your bank so as to obtain a large amount of cash. At that time, I wrote you a letter of introduction; however, at the time Mr. Burrows presented the check, you were out of the city and the matter was handled by another official of your bank.

This letter will again introduce Mr. C. L. Burrows, Vice President and General Sales Manager of this company.

Mr. Burrows will be in your city in the next few days and, at that time, will present our check #1797 payable to him drawn on your bank in the amount of \$5,000. We ask that you cash this check for him upon presentation.

You will note that Mr. Burrows has countersigned the check with the writer - this should give you additional identification.

Thank you for the courtesies extended to Mr. Burrows.

Cordially,

[Handwritten signature]
Secretary

J. A. Dye/bh
[Handwritten notes: 1-20-53]

EXHIBIT No. 2B

The Coleman Company, Inc.

YICHITA I, KANSAS

no. 1737

MO.	DAY	YEAR	NO.
1	15	53	12940

12970

5000 00 \$
AMOUNT OF CASH

PAY

THE JOURNAL OF

C. L. BURROWS

The Coleman Company, Inc.

John D. ...
John D. ...

TO CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST CO. OF CHICAGO

AMERICAN TRUST CO. OF CHICAGO

CHICAGO, ILL.

EXHIBIT No. 2C

CHECK REQUISITION

The Coleman Company, Inc.

NO

PAYABLE TO

S. L. Barron

DATE

1-15-53

AMT \$ 5,000

IN PAYMENT OF

Cash

5,000

16398100	500000
JAN 15 1953	
12840	

500000

S. L. Barron

EXHIBIT No. 3A

The Coleman Company, Inc.GENERAL OFFICES
WICHITA, KANSASFACTORIES
WICHITA, KANSAS
CHICAGO, ILLINOIS
TORONTO, CANADAMANUFACTURERS OF
HOUSEHOLD APPLIANCES FOR HEATING,
LIGHTING, COOKING AND IRONING

WICHITA 1, KANSAS

18 June 1953

J. A. DYE
ASST. SECRETARY AND
ASSISTANT TREASURER

James P. Johnson, Second Vice President
Continental Illinois National Bank and Trust Company
Chicago, Illinois

Dear Mr. Johnson:

This letter will introduce Mr. Louis M. Marks, Sales Manager, Major Appliance Division, of this company. You made the acquaintance of Mr. Marks in January, 1952, when he was in your bank with our Mr. C. L. Burrows, Vice President in Charge of Sales. Mr. Burrows, at that time, presented a check to you and obtained a sizeable amount of cash.

Mr. Marks will be in your city in the next few days and at that time will present to you, or one of your associates, our check #2492, dated June 18, payable to your bank, in the amount of \$5,000. We ask that you cash this check for Mr. Marks upon presentation.

Should you desire additional identification or information at the time Mr. Marks presents the check for payment, please call me or Mr. C. B. Kuhn.

Thank you for the courtesies extended to Mr. Marks.

Sincerely,

J. A. Dye
Assistant Secretary &
Assistant Treasurer

J. A. Dye/bh

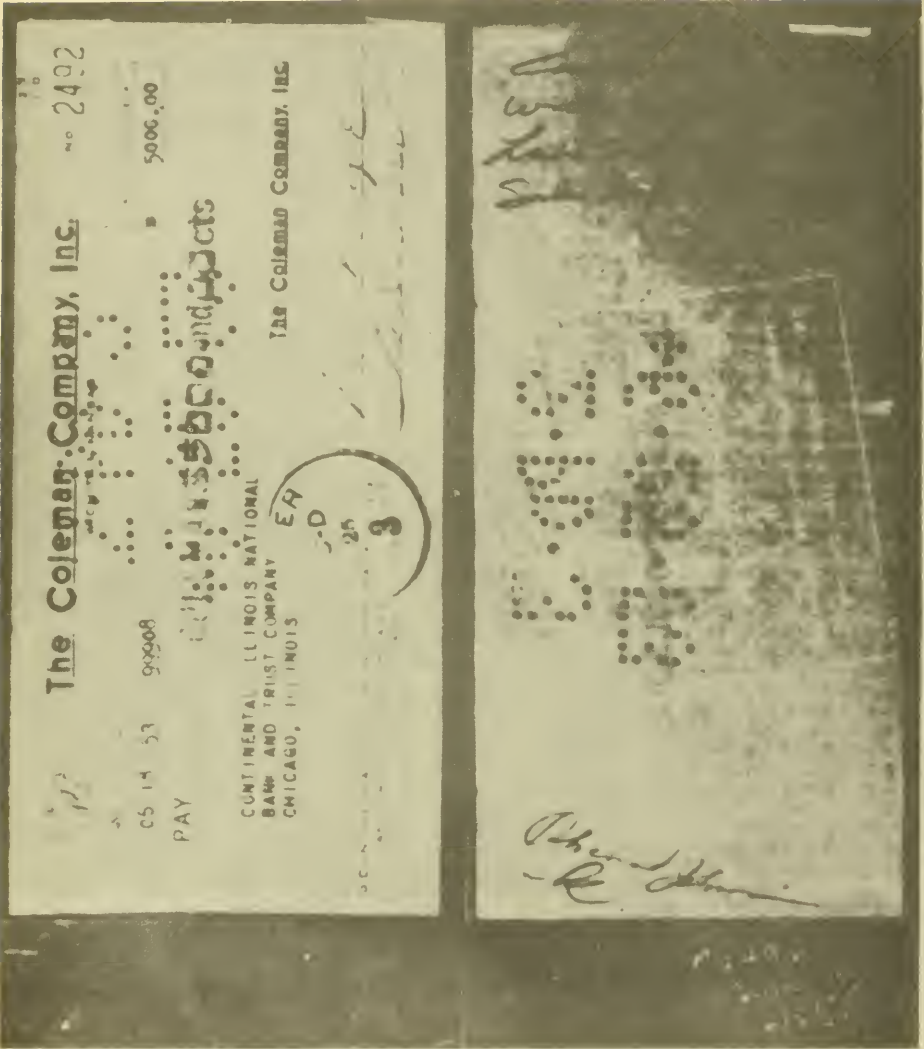


EXHIBIT No. 4A

The Coleman Company, Inc.

RENTAL OFFICE
RENTS, AGREEMENTS FOR RENTING
RENTING, LOCK NO. AND IN IN NO.

WICHITA 1, KANSAS

30 December 1953

AL
E
P. JOHNSON

1
... and Vice President
... National Bank and Trust
...
... Bank #4692, payable to ...
... on the voucher, we state ...
...
... of the matters which you have ...
... Louis M. Marks, National ...
... will be in Chicago sometime after the ...
... in his possession the above mentioned ...
... something Mr. Marks \$5,000 is ...
...
... in his possession a copy of this letter ...
... asking that he sign the original copy ...
... bottom.

Sincerely,

1-1-54
by [Signature]
Two [Signature]
[Signature]
Louis Marks
(Signature of Louis M. Marks)

1-1-54
[Handwritten notes]

EXHIBIT No. 4B

The Coleman Company, Inc.
WICHITA, KANSAS

12 29 53

CHICAGO

Pay

COLEMAN COMPANY

5,000 00

CONTINENTAL ILLINOIS NATIONAL BANK
CHICAGO, ILLINOIS

The Coleman Company Inc.

TO CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO
CHICAGO, ILLINOIS

5,000 00

5,000 00

EXHIBIT No. 5A

The Coleman Company, Inc.

WICHITA 1, KANSAS

June 10, 1934

Mr. James P. Johnson
Continental Illinois National Bank
and Trust Company of Chicago
231 South La Salle Street
Chicago 90, Illinois

Dear Jim:

I am giving Lou Marks a check in the amount of \$5,000 payable to the Continental Illinois National Bank and Trust Company of Chicago.

This is the deal that we handled with you before and Lou will need to get the cash in exchange for this check. I believe you are acquainted with him now but, nevertheless, I will have him place his signature on a copy of the letter and I will approve the same with my signature so that you will know that the signature is genuine when he gets this money from you.

Thanks, Jim, for taking care of this for us. Just when Lou will be in Chicago and will drop in to see you, I do not know for sure but I think it will be sometime next week.

Sincerely,

C. B. Kuhn

cc: Mr. L. M. Marks

cc: Mr. L. M. Marks

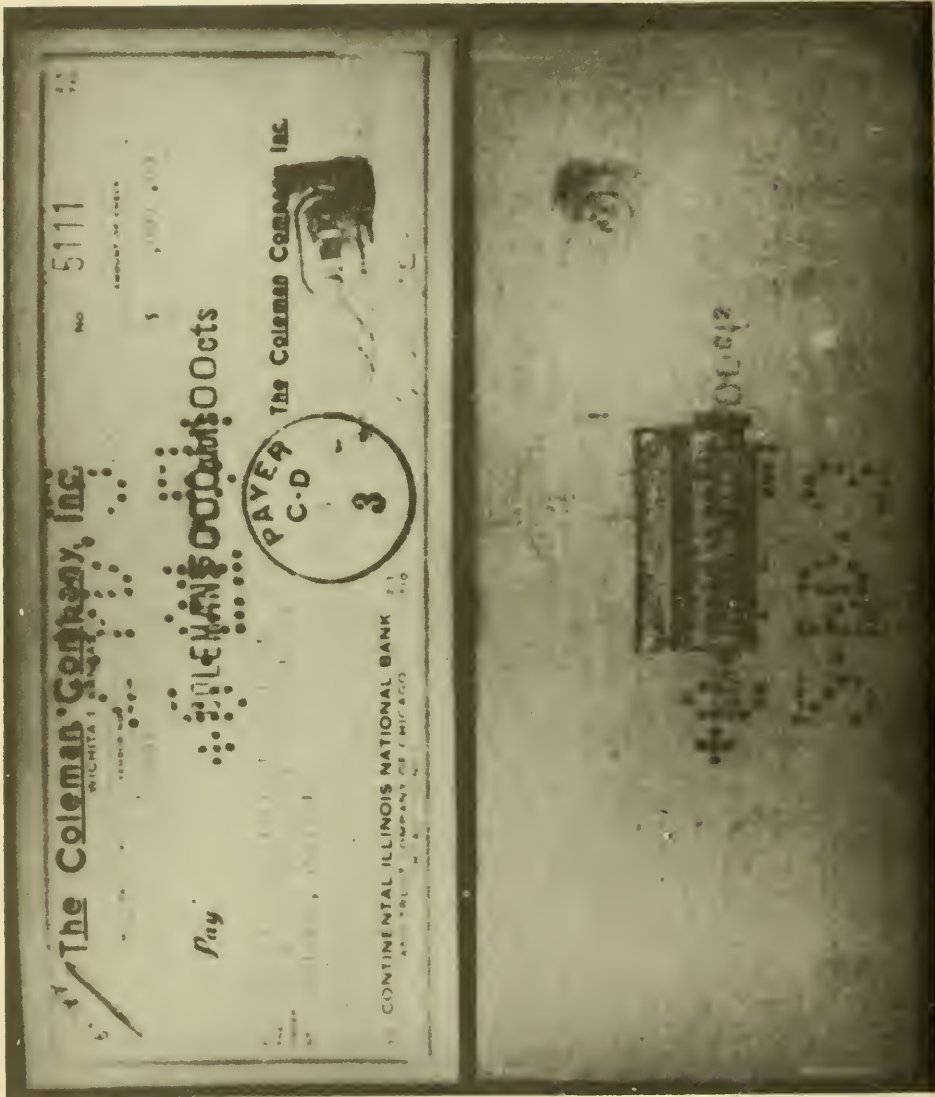
L. M. Marks
L. M. Marks

The above is the genuine signature
of L. M. Marks

C. B. Kuhn

James P. Johnson

COPY



CHECK REQUISITION

The Coleman Company, Inc.

PAYABLE TO Interstate Sugar Plantation DATE 1-3-50
East and West of N. C. 20
for 2000 AMT \$ 5.00

IN PAYMENT OF

22.27.15

500

check to J. B. D. in

A photograph of a wooden crate, likely for shipping. The words "EXPANSE DISTRIBUTION" are printed vertically in large, bold, capital letters along the left side of the crate. The crate is made of light-colored wood and has a grid-like structure. There are some handwritten markings and signs of wear on the crate's surface.

三

EXHIBIT No. 6A

The Coleman Company, Inc. ✓ 8-CGENERAL OFFICES
WICHITA, KANSASHOUSEHOLD APPLIANCES FOR HEATING
LIGHTING COOKING AND IRONINGSALES OFFICES
CHICAGO, ILL.
ST. LOUIS, MO.
KANSAS CITY, MO.
MINNEAPOLIS, MINN.
PITTSBURGH, PA.
ST. PAUL, MINN.
WICHITA, KANSASFACTORIES
WICHITA, KANSAS
CHICAGO, ILL.
ST. LOUIS, MO.
J. A. DYE
ASSISTANT SECRETARY

WICHITA 1, KANSAS

December 1954

James P. Johnson, Second Vice President
Continental Illinois National Bank and Trust Company
Chicago 4, Illinois

Dear Sir:

This is to advise that James P. Johnson, Mr. J. L. Burrows, who is in Chicago on about December 2, and, at that time, will be in need of a sizeable amount of cash. Accordingly, we have issued our check #1612, dated December 1, 1954, payable to your bank in the amount of \$5,000. Mr. Burrows will have this check in his possession, along with a copy of this letter, when he calls upon you.

I am quite sure that you are acquainted with Mr. Burrows since he visited your bank in May, 1952, and, at that time, obtained a sizeable amount of cash. I should mention, also, that in case you need signature identification, his signature is on file at our bank.

Thank you for the courtesies extended to Mr. Burrows.

Cordially,



James A. Dye
Assistant Secretary

/bh

RECEIVED
DEC 2 1954
JAMES P. JOHNSON
SECOND VICE PRESIDENT



EXHIBIT No. 7A

October 5, 1934

Mr. John Robinson
Blume Gas Co.
344 Highway 99 South
Oreana Pass, Oregon

Dear Mr. Robinson:

There is a definite possibility that we can assist you in working with the Blume people with whom you have been experiencing some difficulty.

I will appreciate your giving me the name of your local Union business agent and we will see what can be done to correct the situation.

Yours very truly,

THE COLEMAN COMPANY, INC.

G. L. Burrows:mas

EXHIBIT No. 7B

HOME GAS CO.*Propane**The Clean & Modern Fuel*

DOMESTIC • COMMERCIAL • INDUSTRIAL • AUTOMOTIVE

100 HIGHWAY 60 SOUTH

GRANTS PASS

OREGON

October 14, 1954

Mr. C. L. Burrows
The Coleman Co., Inc.
Wichita, Kansas

Dear Mr. Burrows:

In reply to your letter of October 5th. The name and address of the local Union business agent is, John Snodgrass, c/o Central Labor Council, Doyle Bldg, Grants Pass, Oregon.

Yours truly,

Home Gas Company

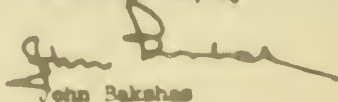

John Bakshas

EXHIBIT No. 7C

October 28, 1934

211
12-5

Mr. John Bakshas
Home Gas Company
246 Highway 99 South
Grants Pass, Oregon

Dear Mr. Bakshas:

Thanks for your letter of October 14 regarding your Union problem. This sort of thing sometimes requires a little time as you can readily understand; however, I will start checking into the matter immediately and will get in touch with you as soon as I have anything of a concrete nature to report.

Yours very truly,

THE COLLEMAN COMPANY, INC.

C. L. Burrows:mms

EXHIBIT No. 8A

December 24, 1954.

Mr. Carl Burrows,
Coleman Company,
Wichita, Kansas.

Dear Sir,

On December 21, 1954, at the LaSalle hotel in Chicago, you handed me an envelope together with some correspondence from a Grants Pass, Oregon firm and suggested that I examine the letter and the contents of the envelope at my leisure.

When time permitted I read the correspondence you handed me and examined the contents of the envelope. It was then that I discovered that you handed me \$5000.00. Had I known what the envelope contained when I was with you I would have returned it to you unopened.

I cannot allow this money under any circumstances and am returning herewith a cashiers check in the amount of \$5000.00 covering the above. I am retaining in my possession the correspondence you gave me from the Lane Engineering of Grants Pass, Oregon.

Very Truly Yours,

/s/ A. H. CRAMER

54-111-1-111
1-111-111
1-111-111
1-111-111

EXHIBIT No. 8B

H. M. G. A.
Proving
The Union Sheet Metal
Workers' Local 1000
1006 Highway 100, Suite
100, Dallas, Texas
97500

October 10, 1954.

Coleman Furnaces,
Wichita, Kansas.

Gentlemen:

It has been our understanding that Coleman Pre-fabricated duct systems are manufactured by Union labor and that it has been definitely established that these systems do not require sheet metal workers to make the installations.

Our local Union has been giving us a bit of trouble by insisting that we use their Union sheet metal workers on all our jobs.

Will you please give us all the facts regarding this matter?

If possible, let us have a letter from the National Union Headquarters confirming same.

Yours truly,
HOME GAS COMPANY

/s/ JOHN BAKSHAS
John Bakshas.

(This copy furnished by
Nathan Cohen, atty for Coleman)

EXHIBIT No. 8C

HONIE C. A. CO.

Colman, Thomas
Albion, Kansas.

Dear Sir:

It has been our understanding that you had fabricated dust systems for use in the labor and that it had been determined that these systems were not suitable for workers to make the dusting process.

Our local union has been informed by insisting that we should not have workers on all our lines.

Will you please advise us of the matter?

If possible, please advise us of the matter.
Headquarters

John B. ...

J.B./es.

*This letter
ended to me in the
envelope of the
1944-45 year - Thomas*

EXHIBIT No. 9A

MERCHANTS TRUST BANK

PAY TO THE ORDER OF *Carl Burrows*

AMOUNT **\$5,000.00**

NO. 8397

DOLLARS

CHEMICAL BANK & TRUST CO.
NEW YORK, N. Y.

Alfred E. Burrows

Carl Burrows

PAY TO THE ORDER OF
UNION NATIONAL BANK
WICHITA, KANS.

AMOUNT **\$5,000.00**

NO. 8397

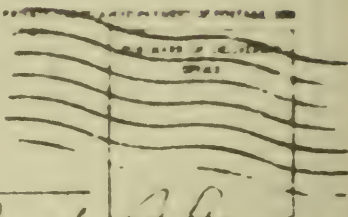
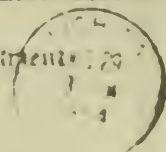
DOLLARS

CHEMICAL BANK & TRUST CO.
NEW YORK, N. Y.

Alfred E. Burrows

EXHIBIT No. 9B

Post Office Department, 79



Winef. had 13h
written - 4000

RECEIVED APR 11 1961

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PL. TARGON

CHICAGO, (2—

ILLINOIS.

1890-1891 1892-1893 1894-1895 1896-1897

560794

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... (22) (no change)

— 22 —

1891

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[illegible]

On 01/04/1988, [redacted] was interviewed and advised of each person in the above named family and advised the name of each of family or acquaintance for identity.

(10-11-12-13-14-15-16-17-18-19-20-21-22-23-24-25-26-27-28-29-30-31-32-33-34-35-36-37-38-39-40-41-42-43-44-45-46-47-48-49-50-51-52-53-54-55-56-57-58-59-60-61-62-63-64-65-66-67-68-69-70-71-72-73-74-75-76-77-78-79-80-81-82-83-84-85-86-87-88-89-90-91-92-93-94-95-96-97-98-99-100-101-102-103-104-105-106-107-108-109-110-111-112-113-114-115-116-117-118-119-120-121-122-123-124-125-126-127-128-129-130-131-132-133-134-135-136-137-138-139-140-141-142-143-144-145-146-147-148-149-150-151-152-153-154-155-156-157-158-159-160-161-162-163-164-165-166-167-168-169-170-171-172-173-174-175-176-177-178-179-180-181-182-183-184-185-186-187-188-189-190-191-192-193-194-195-196-197-198-199-200-201-202-203-204-205-206-207-208-209-210-211-212-213-214-215-216-217-218-219-220-221-222-223-224-225-226-227-228-229-230-231-232-233-234-235-236-237-238-239-240-241-242-243-244-245-246-247-248-249-250-251-252-253-254-255-256-257-258-259-260-261-262-263-264-265-266-267-268-269-270-271-272-273-274-275-276-277-278-279-280-281-282-283-284-285-286-287-288-289-290-291-292-293-294-295-296-297-298-299-300-301-302-303-304-305-306-307-308-309-310-311-312-313-314-315-316-317-318-319-320-321-322-323-324-325-326-327-328-329-330-331-332-333-334-335-336-337-338-339-340-341-342-343-344-345-346-347-348-349-350-351-352-353-354-355-356-357-358-359-360-361-362-363-364-365-366-367-368-369-370-371-372-373-374-375-376-377-378-379-380-381-382-383-384-385-386-387-388-389-390-391-392-393-394-395-396-397-398-399-400-401-402-403-404-405-406-407-408-409-410-411-412-413-414-415-416-417-418-419-420-421-422-423-424-425-426-427-428-429-430-431-432-433-434-435-436-437-438-439-440-441-442-443-444-445-446-447-448-449-450-451-452-453-454-455-456-457-458-459-460-461-462-463-464-465-466-467-468-469-470-471-472-473-474-475-476-477-478-479-480-481-482-483-484-485-486-487-488-489-490-491-492-493-494-495-496-497-498-499-500-501-502-503-504-505-506-507-508-509-510-511-512-513-514-515-516-517-518-519-520-521-522-523-524-525-526-527-528-529-530-531-532-533-534-535-536-537-538-539-540-541-542-543-544-545-546-547-548-549-550-551-552-553-554-555-556-557-558-559-560-561-562-563-564-565-566-567-568-569-570-571-572-573-574-575-576-577-578-579-580-581-582-583-584-585-586-587-588-589-590-591-592-593-594-595-596-597-598-599-600-601-602-603-604-605-606-607-608-609-610-611-612-613-614-615-616-617-618-619-620-621-622-623-624-625-626-627-628-629-630-631-632-633-634-635-636-637-638-639-640-641-642-643-644-645-646-647-648-649-650-651-652-653-654-655-656-657-658-659-660-661-662-663-664-665-666-667-668-669-670-671-672-673-674-675-676-677-678-679-680-681-682-683-684-685-686-687-688-689-690-691-692-693-694-695-696-697-698-699-700-701-702-703-704-705-706-707-708-709-710-711-712-713-714-715-716-717-718-719-720-721-722-723-724-725-726-727-728-729-730-731-732-733-734-735-736-737-738-739-740-741-742-743-744-745-746-747-748-749-750-751-752-753-754-755-756-757-758-759-760-761-762-763-764-765-766-767-768-769-770-771-772-773-774-775-776-777-778-779-780-781-782-783-784-785-786-787-788-789-790-791-792-793-794-795-796-797-798-799-800-801-802-803-804-805-806-807-808-809-810-811-812-813-814-815-816-817-818-819-820-821-822-823-824-825-826-827-828-829-830-831-832-833-834-835-836-837-838-839-840-841-842-843-844-845-846-847-848-849-850-851-852-853-854-855-856-857-858-859-860-861-862-863-864-865-866-867-868-869-870-871-872-873-874-875-876-877-878-879-880-881-882-883-884-885-886-887-888-889-890-891-892-893-894-895-896-897-898-899-900-901-902-903-904-905-906-907-908-909-910-911-912-913-914-915-916-917-918-919-920-921-922-923-924-925-926-927-928-929-930-931-932-933-934-935-936-937-938-939-940-941-942-943-944-945-946-947-948-949-950-951-952-953-954-955-956-957-958-959-960-961-962-963-964-965-966-967-968-969-970-971-972-973-974-975-976-977-978-979-980-981-982-983-984-985-986-987-988-989-990-991-992-993-994-995-996-997-998-999-1000-1001-1002-1003-1004-1005-1006-1007-1008-1009-1010-1011-1012-1013-1014-1015-1016-1017-1018-1019-1020-1021-1022-1023-1024-1025-1026-1027-1028-1029-1030-1031-1032-1033-1034-1035-1036-1037-1038-1039-1040-1041-1042-1043-1044

(P. C. and 1 Blank of address)

EXHIBIT No. 9C

RETURN RECEIPT

Received from the Postmaster the Registered or Insured Article, the number of which appears on the face of this Card

1

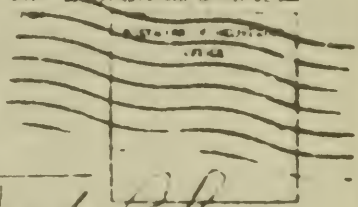
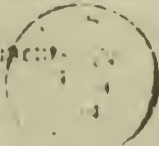
COLEMAN COMPANY INC

2

Date of Delivery

DEC 29 1955

Post Office Department



556794

CHICAGO, (2

ILLINOIS

EXHIBIT No. 10A

A. J. Carlson
President and General Manager

SALESMAN J. T. H. Smith
Residence 2-4000



TELEPHONE
NEVADA 2-4000

CHICAGO, COOK COUNTY AND LAKE COUNTY, ILLINOIS

MEMBERSHIP DEPARTMENT

3200 JACKSON BOULEVARD

REGULAR UNION MEETING FIRST FRIDAY OF EACH
MONTH AT 8 P. M. EXECUTIVE BOARD MEETING
THIRD FRIDAY OF EACH MONTH 7:30 P. M.



CHICAGO 24, ILL.

July 2, 1953

Mr. Carl Burrows
The Coleman Company
Wichita, Kansas

Dear Mr. Burrows:

The writer spent a pleasant few hours with Lou Marks in Chicago, Illinois last week. We discussed conditions in various parts of the country relative to your product and again I would like to assure you of our cooperation as we feel that the agreement is of mutual benefit.

General Secretary Edward F. Carlonagh suggested that you visit our offices in the Transportation Building when you are in Washington. He also thought that it might be a good idea if you could furnish him with some pictures and data on the manufacture of your fittings. He thought it might make an interesting article for our National Journal which is published monthly. This too, would be a good way of letting our members all over the country know that the fittings in connection with your installations carry our Union Label.

Looking forward to seeing you in the near future and with best wishes, I am

Very truly yours,

A. J. Carlson

President

AHC:elo

EXHIBIT No. 10B

July 7, 1953

Mr. A. H. Cronin, President
Sheet Metal Workers' International Association
3350 Jackson Boulevard
Chicago 24, Illinois

Dear Mr. Cronin:

Thanks so much for your letter of July 2. It would appear that our working arrangements with your Union are excellent.

I'll welcome an opportunity to see your General Secretary, Mr. Carlough, on my next trip to Washington and I'm asking our Advertising Manager to send him complete information on our product for an article in your National Journal. We would, by the way, very much appreciate such an article. We think it might be helpful to us.

With best wishes, I am

Yours very truly,

THE COLEMAN COMPANY, INC.

C. L. Burrows:jb

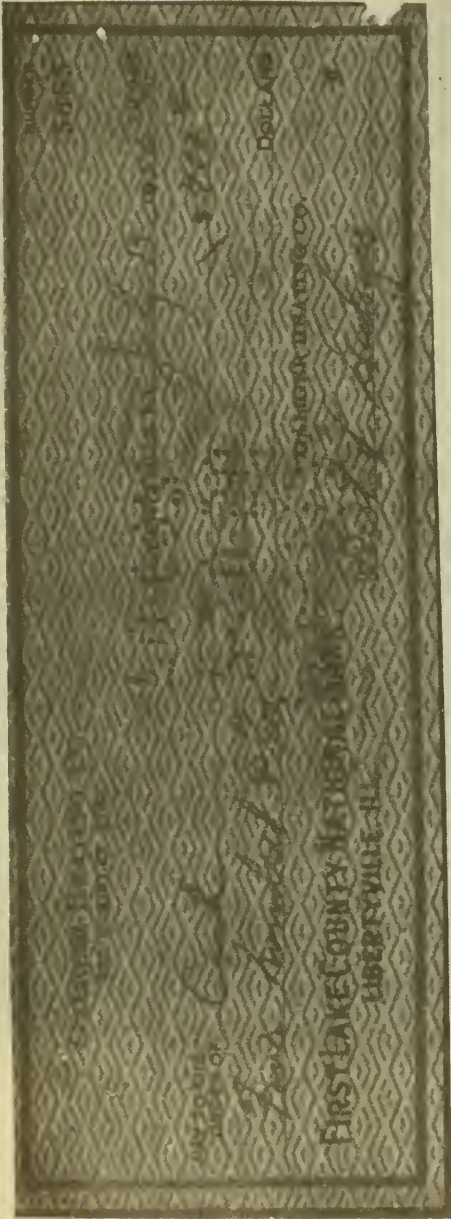


EXHIBIT No. 12

SUNBEAM HEATING & AIR CONDITIONING CO.
 103 WEST 19TH STREET
 CHICAGO 6-4024

NO. 19570
 DATE OCT. 30 19 52
 \$2,500.00

HARRIS TRUST AND SAVINGS BANK, CHICAGO, ILLINOIS
AMOUNT \$2,500.00 and 00/100

M. E. GARNEY, TRUSTEE

Wm. E. Garvey, Trustee
Wm. E. Garvey

TO THE ORDER OF

Wm. E. Garvey, Trustee
~~PAY TO THE ORDER OF THE FIRST NATIONAL BANK OF CHICAGO~~
~~FOR ACCOUNT OF MRS. GARNEY~~

Mrs. Garvey

NOV 3 1952

THE FIRST NATIONAL BANK OF CHICAGO



EXHIBIT No. 15

ACME HEATING COMPANY		616
PAID TO ORDER	Cash - \$100.00	Dec 30 1952
400.00		400.00
SUBURBAN HEATING COMPANY		DO NOT WRITE
CHAS. PARKER, JR.		THURSDAY & SUNDAY



BOSTON PUBLIC LIBRARY



3 9999 06352 029 8

